

Ralph C. Lynch, jr.  
 Harold A. MacFarlane.  
 MacDonald C. Mains.  
 William A. Marchant.  
 Clayton C. Marcy.  
 Edwin P. Martin.  
 Melvin M. Martin.  
 Dominic L. Mattie.  
 John V. McAlpin, jr.  
 Clayton C. McCauley.  
 William H. McClure.  
 Robert B. McCoy.  
 John H. McElroy.  
 Robert DeV. McGinnis.  
 Rob R. McGregor.  
 Lee E. McIntyre.  
 Henry J. McRoberts.  
 Alolph J. Miller.  
 Cleveland F. Miller.  
 Clair LeM. Miller.  
 James H. Mills, jr.  
 Frank P. Mitchell, jr.  
 John R. Moore.  
 Charles C. Morgan.  
 Leonard T. Morse.  
 Hugo A. Nelson.  
 Paul J. Nelson.  
 Harold Nielsen.  
 Frank Novak.  
 Edward J. O'Donnell.  
 William Oliver.  
 Philip R. Osborn.  
 Elliott W. Parish, jr.  
 Goldsborough S. Patrick.  
 William E. Pennewill.  
 Albert C. Perkins.  
 Seraphin B. Perreault.  
 Henry S. Persons, jr.  
 Carl A. Peterson.  
 Charles F. Phillips.  
 Jack H. Prause.  
 Knight Pryor.  
 John Raby.  
 Robert J. Ramsbotham.  
 Herman L. Ray.  
 John P. Rembert, jr.  
 Leslie E. Richardson.

William J. Richter.  
 Claude V. Ricketts.  
 Warner S. Rodimon.  
 Roderick S. Rooney.  
 Egbert A. Roth.  
 Emery Roughton.  
 Earl T. Schreiber.  
 George A. Sharp.  
 Corben C. Shute.  
 Leroy C. Simpler.  
 Augustus R. St. Angelo.  
 Edward C. Stephan.  
 Frank B. Stephens.  
 Claude W. Stewart.  
 Donald F. Stillman.  
 Lowell T. Stone.  
 William S. Stovall, jr.  
 Albert W. Strahorn.  
 Stanley C. Strong.  
 Kemp Tolley.  
 Charles E. Trescott.  
 Charles O. Triebel.  
 Henry B. Twohy.  
 Bruce A. Van Voorhis.  
 Richard G. Visser.  
 Delos E. Wait.  
 George H. Wales.  
 Calvin A. Walker, jr.  
 Philip A. Walker.  
 William G. Waltermire.  
 Jacob W. Waterhouse.  
 William H. Watson, jr.  
 Charles E. Weakley.  
 John B. Webster.  
 Donald F. Weiss.  
 David J. Welsh.  
 Harold P. Westropp.  
 Albert F. White.  
 William W. White.  
 Robert H. Wilkinson.  
 Thomas P. Wilson.  
 Thomas R. Wilson.  
 Paul L. Woerner.  
 Albert H. Wotton.  
 Mathias B. Wyatt.  
 John R. Yoho.

## TO BE ASSISTANT PAYMASTER

Burl H. Bush.  
 Ernest C. Collins.  
 Henry S. Cone.  
 Charles A. Meeker.

## POSTMASTERS

## GEORGIA

Tilden A. Adkins, Vienna.

## MISSOURI

George T. Holybee, jr., Platte City.

## HOUSE OF REPRESENTATIVES

WEDNESDAY, May 22, 1929

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father, at this noonday moment we would lift up our voice to Thee and seek to feel the restful assurance of the helping, transforming power of Thy presence. Send us forth on our errands of duty. As we touch life, may we gladden and cheer our fellows. O Thou who dost clothe the lily and inspire the song bird, help us to grow in the beauty and sweetness of the Christian virtues. Let our faith see through doubt, endure hardship and temptation, and hold steadfastly to Thee. Fill us with large sympathies for others and bless us with complete trust in Thy goodness, which is at the heart of humankind. Amen.

The Journal of the proceedings of yesterday was read and approved.

## EXTENSION OF REMARKS

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of farm relief by incorporating a letter to me on the same subject from former Senator Thomas W. Hardwick, of Georgia.

The SPEAKER. The gentleman from Georgia asks unanimous consent to extend his remarks in the RECORD by printing a letter to him from a former Senator. Is there objection?

Mr. UNDERHILL. Reserving the right to object, I think this comes within the class of articles excluded from the RECORD, and I object.

Mr. VINSON of Georgia. Will the gentleman withhold his objection for a moment?

Mr. UNDERHILL. I will withhold it.

Mr. VINSON of Georgia. This is a letter from a former Member of the House and a former Senator giving his views of farm relief.

Mr. UNDERHILL. What good does it do to discuss farm relief now?

Mr. VINSON of Georgia. This is on the debenture plan, which will be very enlightening to the House.

Mr. UNDERHILL. I think, Mr. Speaker, I will object.

## PERMISSION TO ADDRESS THE HOUSE

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER. The gentleman from Georgia asks unanimous consent to address the House for five minutes. Is there objection?

Mr. HAWLEY. Mr. Speaker, I am sorry, but I shall have to object.

## THE O'FALLON CASE

Mr. GARNER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a statement prepared by the gentleman from Texas [Mr. RAYBURN] touching the decision of the Supreme Court in the O'Fallon Railroad case.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. GARNER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include a statement prepared by the gentleman from Texas, Mr. RAYBURN, touching the decision of the Supreme Court in the O'Fallon railroad case.

The statement is as follows:

The decision of the majority of the Supreme Court of the United States handed down yesterday in the O'Fallon case would, if coming from any other source than this august and respected body, be nothing short of shocking. A majority of the members of the Supreme Court held that, notwithstanding the Interstate Commerce Commission, a fact-finding body, having before it all the facts relative to the reproduction costs of this railroad, and although a majority of the members of the Interstate Commerce Commission contend they did so consider the reproduction costs as stated in the dissenting opinion of Mr. Justice Stone, says that the commission did not take these facts, circumstances, and elements into consideration in finding the valuation of the O'Fallon railroad. In my opinion the Interstate Commerce Commission followed the law and took into consideration all of the facts, circumstances, and legal demands made upon it by the act of Congress for finding and fixing the valuation of railroad property devoted to the service of transportation. In section 15a Congress commanded the Interstate Commerce Commission to take into consideration reproduction costs in fixing the value of railroads, but Congress did not say to the commission that reproduction costs should be the sole nor even the controlling factor in the determination of railroad valuation.

The decision in this case has strikingly impressed upon the country the indefensible character of the interpretation of the rate-making power of section 15a.

If the method of valuation for rate-making purposes indicated here is to prevail hereafter it will increase the valuation of the roads \$10,000,000,000 and be authority for a general boost for freight rates. Further, if this is to be the interpretation, then Congress by section 15a has established a rule of rate making that is arbitrary and uneconomic and which disregards reasonable rate making from the standpoint of the shipper. It will tend to bring imprudent investment in railroad property somewhat on a par with railroad investments prudently conceived. It is a measure of rate regulation that gives a current return to the original investment and also charges the public with the increased costs of replacement, not in fact made, but gives a double return to the railroads and creates to that extent a double charge against the shippers. We are supposed to allow a reasonable return on the investment. This decision would also allow a boost on the investment that might equal the return which it was the purpose of Congress to permit. Such a plan of rate making will fasten piratical rates upon the shippers of the country. This decision emphasizes what I, as a minority Member, have repeatedly called attention to the Committee on Interstate and Foreign Commerce of the House, and that is that Congress should take up the con-



sideration of all of the rate-making structure with a view to eliminating arbitrary and fictitious standards of rates and reestablish the general principle of allowing the railroads a fair return for the services rendered the public.

Not only should this part of the interstate commerce act be taken up for hearing and consideration and rewriting but other controverted parts of the transportation act of 1920 and the interstate commerce act in general should be considered with the view of clarifying and giving more definite command to those who administer the law as to just what Congress does mean and what it does not mean; and, further, making it so definite that no commission nor court could understand other than that Congress intended that the law should be administered in the interest of the millions and not in the interest of the few. By this decision of the Supreme Court and the interpretation that the Interstate Commerce Commission must give the law under it, a situation is created that calls for prompt action on the part of Congress. Regardless of the inconvenience to many, appropriate committees should be appointed at once and the thorough investigation and rewriting of the provisions of the interstate commerce act suggested above should be begun.

No indiscriminate attack should be made upon the railroads. The Constitution commands that just compensation should be allowed to the railroads for their services, and common sense and the welfare of the country require a just standard of rate making, but this system should extend fair treatment to the public as well as to the railroads.

I can not agree that the Interstate Commerce Commission in the O'Fallon case has abused its discretion. It is historic that the railroads attack everything. Laws must be written to cover the minutest details and many times appear involved and difficult to understand for both commissions and courts because the railroads are ever ready to appeal to juries and courts on the slightest pretext.

The railroads won the decision of the Supreme Court in the O'Fallon case, but they will, under an administration of the law as interpreted and if not changed by a fearless Congress, lose much in public faith, confidence, and esteem. Rates are as high as can be tolerated. High enough, in many instances, to be so burdensome as to prevent the free movement of commerce. After consultation with some of my colleagues, I wish to say that, so far as the Democratic Members of the House are concerned, we are ready to take up now the investigation of rate-making and controverted provisions of the valuation provision at an early date with a view of eliminating arbitrary and uneconomic features of the Interstate Commerce act as recently interpreted and establish, if we can, rules and regulations under the law that will bring about fairness and justice to all concerned.

#### EXTENSION OF REMARKS

Mr. GARNER. Mr. Speaker, the gentleman from Massachusetts will notice in the RECORD where I have called attention two or three times, when the gentleman from Massachusetts was not in the Chamber, when matters were inserted in the RECORD that violated the rule that he has laid down. These requests are granted late in the afternoon just before we adjourn. I want to say that if the gentleman is going to invoke the rule he has laid down, he ought, in case he is called from the Chamber, to leave some one to act for him so that all Members will be treated alike, or else there will be a little feeling and friction.

Mr. HASTINGS. He will also have to have a representative over in the Senate, where they put in everything.

Mr. UNDERHILL. The rule is not mine, the responsibility is not mine, the policy is not mine—the gentleman from Texas has just as much responsibility in protecting the RECORD as I have. It is not a pleasant duty. The gentleman from Massachusetts has not intentionally made any discrimination. I am always on the floor at the time when unanimous-consent requests are supposed to be made, and it seems to me that if the gentleman from Texas does not want to take part in any of these disagreeable duties that he might at least ask that they be held over until the regular time for introduction.

Mr. GARNER. I am not pursuing the policy of the gentleman from Massachusetts, but there is supposed to be an opportunity to ask unanimous consent to insert remarks in the RECORD at any time the House of Representatives is in session.

Mr. UNDERHILL. The gentleman from Massachusetts would be glad to have the assistance of the gentleman from Texas.

Mr. VINSON of Georgia. Does the gentleman from Massachusetts think the rule ought to apply to former Members of the House and former Senators?

Mr. UNDERHILL. They have had their day and it seems to me the RECORD is for present Members of the House. It is a record of the proceedings of the House, and if I had my way I would have the reporters instructed to eliminate all reference to "applause" or "laughter" or anything of that sort. It would have prevented a lot of trouble recently. I would make it a real

record of the House and its proceedings, but I have not objected to extension of remarks of any Member of the House on any subject, written or spoken, on the floor, in his office, or elsewhere, if it is stated that they are his own remarks.

Mr. SPEARING. Will the gentleman from Massachusetts yield?

Mr. UNDERHILL. I yield.

Mr. SPEARING. If it is not the policy of the gentleman from Massachusetts to keep out what he calls extraneous matter, whose policy is it?

Mr. UNDERHILL. If it is not mine?

Mr. SPEARING. Yes.

Mr. UNDERHILL. It is a rule which should be observed or abolished. The general policy of the House was adopted after considerable abuse of the RECORD and a great deal of criticism on the part of the press of the country of the publication. I may say to the gentleman that the RECORD of last session showed about an average of 45 pages less material than it carried just previous to taking that action.

Mr. SPEARING. Forty-five pages in proportion to how many pages?

Mr. BEEDY. Forty-five pages in a year?

Mr. UNDERHILL. Oh, no; 45 pages daily, or, rather, an average of 45 pages.

Mr. SPEARING. The gentleman has not statistics for that, has he? I mean reliable statistics.

Mr. UNDERHILL. I do not make up the statistics, so I can not vouch for their reliability.

Mr. SPEARING. The gentleman has not gotten that information from any reliable source, has he?

Mr. UNDERHILL. Yes.

Mr. SPEARING. From what source?

Mr. SNELL. Mr. Speaker, I demand the regular order.

Mr. SPEARING. Oh, yes; the gentleman always calls for the regular order when anybody on his side of the House gets into a hole.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

#### CORN SUGAR AND HONEY

Mr. COLE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and include therein a letter written by myself on the subject of sugar, and a short letter written by the Senator from New York [Mr. COPELAND] on the same subject.

The SPEAKER. The gentleman from Iowa asks unanimous consent to extend his remarks in the RECORD by printing therein a letter written by himself on the subject of sugar, and also one written by the Senator from New York [Mr. COPELAND]. Is there objection?

There was no objection.

Mr. COLE. Mr. Speaker, following the reintroduction of the bill popularly known as the corn sugar bill, now H. R. 2154 and S. 685, introduced in the House by me and in the Senate by Senator CAPPER, of Kansas, Members of Congress have received so many inquiries, especially from honey and bee men, that I am going to ask leave to extend my remarks on the subject. I do this to enable Members who receive such inquiries to have information upon which to base their replies.

I recently wrote a letter on the subject to the Des Moines Register, in response to similar inquiries. That letter is herewith reprinted, as follows:

#### EDITOR REGISTER:

So many bee and honey men are writing letters and sending telegrams to Senators and Congressmen that it may not be amiss for me to ask a little space in your paper to state the facts.

There is nothing in the so-called corn-sugar bill that in any way, directly or indirectly, affects honey. If it in any way were harmful to honey neither Senator CAPPER nor myself would stand sponsor for this legislation, for we are both vitally interested in honey. The bee is essential to agriculture in both Kansas and Iowa. Without the bee clover suffers through lack of pollenization and without clover corn fertility could not be maintained.

Honey is fully and rightfully protected against all "adulterations" with sugar. There is nothing in this legislation that alters that protection. Even if sugar could be added to honey, no one would think of using corn sugar for such a mixture.

To mix corn sugar and honey would be a chemical absurdity. Honey itself is 34 per cent dextrose sugar—and that is the reason why it is so beneficial dietetically. But it is this dextrose that produces granulations and crystallizations in honey. Corn sugar is 99.9 per cent pure dextrose. To add more dextrose to honey would accelerate and multiply this granulation and crystallization. That is why such a mixture would be a chemical absurdity.

This false propaganda was started deliberately here in Washington by men representing interests that are hostile to corn sugar. They



knew it was a false alarm, and, privately, some have admitted it. But it served their purposes. They have a bureau in Washington for this propaganda. They have sent out thousands of letters and telegrams to bee men and honey men urging them to write to Senators and Congressmen protesting this legislation.

Who has paid the bills for this propaganda might be an interesting story. Here we know that the promoters of this propaganda are more interested in Cuban cane fields than in Iowa corn fields. They do not want America to produce any of its own sugar.

I am glad to say that many honey men are resenting the use that has been made of this false propaganda. R. B. Willson, who was at one time specialist in apiculture at Cornell University, and who has been chairman of the committee on publicity for the American Honey Producers' League, writing in the April number of Food Industries, says:

"For almost three years our honey men have been subjected to a steady bombardment of propaganda which has created in their minds the belief that corn sugar is a menace to their industry, and hence something that should be vigorously opposed. \* \* \* I have studied both sides of the matter, and, as a result, I take sharp issue with my own people (the honey people) for the stand they have taken."

Referring to the present rules and regulations protecting honey, Mr. Willson says:

"Has anyone ever tried to use cane sugar to adulterate honey on the basis of these now prevailing standards? Of course, no one ever has. Yet this wild claim was made that with this amendment (the corn sugar bill) passed corn sugar could be used to adulterate honey and the mixture could be sold legally as honey.

"To assume that the proposed amendment would nullify all that the law positively sets forth as to what constitutes adulteration and legalize the sale of honey mixed with corn sugar as honey was absurd—nothing short of it."

Mr. Willson says that the opposition of the beekeepers helped to defeat the Cummins-Cole bill in 1927. I may add that I succeeded in getting the bill through the House with a majority of 44, but in the Senate Mr. Cummins was not so successful—a Senator got the floor and talked it to death just before final adjournment. After Mr. Cummins's death Senator CAPPER took up the bill.

"Now, let us investigate the present status of corn sugar in commerce," continues Mr. Willson. He then proceeds as follows:

"The use of corn sugar without any label declaration whatever is permitted in the following products by those who are charged with the enforcement of our Federal pure food laws: Bread, cakes, pies, candies, and other confections and cured meats. Corn sugar is so much better than cane sugar for sweetening ice cream that its use has become general, and now through custom its use in ice cream is considered legitimate.

"It is obvious that there is no deception in these instances," continues Mr. Willson, "of the legalized use of corn sugar in common foods which we consume every day; and yet some folks would have us believe that it would be rank deception to extend the use of corn sugar to the sweetening of jams, jellies, preserves, canned fruits and vegetables, beverages, catsups, and pickles. There is no room for argument here—either this is consistent or inconsistent; either this is discrimination or it isn't."

"The terms 'deception' and 'a blow at the integrity of the pure food law' have become catch phrases . . . and the competitors of corn sugar have taken them up . . . A careful study of the issue has led me to conclude that science, logic, and justice are on the side of corn sugar, and I trust more people will interest themselves in it and let their opinions be heard."

I may add that in this session of Congress neither Senator CAPPER nor myself had thought of bringing up this bill. But we did so at the request of the Washington legislative representative of the American Federation of Farm Bureaus, who, in their last national meeting, for the first time made this legislation part of their program.

The Iowa beekeepers who have taken for granted this Cuban cane-field propaganda, as against Iowa cornfields, should cooperate with the corn farmers instead of opposing them. The corn farmers are for the bees and the beekeeper should be for sugar made from corn.

In printing this letter the editor of the Des Moines Register, Mr. Harvey Ingham, made the following comments, which also are pertinent to the bill under consideration:

#### CORN SUGAR AND HONEY

The letter of Congressman CYRENUS COLE on this page hints at the watchfulness the average citizen has got to maintain for his own interests.

The hint is adroitly thrown out by cane sugar that recognition of corn sugar spells the doom of honey, and at once the bee men of the country are stirred to hostility to corn for sugar.

The real trouble with the farm situation is suggested in this letter. Farming consists of an almost innumerable number of separated and frequently unrelated activities, and the moment it is proposed to do something for the farm these unrelated groups begin to antagonize each other.

It is not hard to understand the feeling of the cane growers when corn is mentioned for sugar making. The debate between corn and cane is legitimate and ought to be heard out.

But there is no occasion for honey to become excited, for there is just as much competition for honey in cane as in corn, to say the least of it.

Using corn for sugar will not reduce the bees of Iowa by a single hive, nor the demand for honey by an ounce. "Honey in the honey-comb" will be just as sweet as it was back in the ancient days when the bee was set up for man as an example in industry.

#### SENATOR COPELAND'S VIEWS ON CORN SUGAR

In this connection under the leave to extend granted me I am going to insert an article written by Dr. ROYAL S. COPELAND, a United States Senator from New York, printed in the New York Journal of Commerce in its issue of Saturday, January 26, 1929, under the title "Corn Sugar Good Human Food and Good Aid to Farmers." The article is as follows:

Last year I sent the Journal of Commerce an article about a controverted subject, the use of corn sugar. It is a fascinating controversy, because nobody attacks the wholesomeness and health-promoting properties of corn sugar. The fight is against the mere presence of corn sugar in a prepared food unless a label is attached advertising the fact that corn sugar has been used in its making. If cane sugar is used, no such label mention is required. If beet sugar is used, the article need not be labeled. But if corn sugar is used, then it is demanded that a label be affixed, stating that the food is prepared with corn sugar.

Ever since the enactment of the pure food law the public has been taught that when an article is recorded in the label of a manufactured or prepared food it is an evidence of adulteration and of a lowering in quality. I am confident that even the well-informed housewife will look with suspicion upon anything which the pure-food authorities require to be placed upon the label. The mere fact that the ingredients must be so recorded raises the suspicion that something is wrong with it.

#### DOCTOR WILEY'S IS A HOUSEHOLD NAME

For a generation I have praised Dr. Harvey W. Wiley. He is one of my heroes. To my mind our country owes a debt of gratitude to Doctor Wiley, a debt we can never pay. He has added length of life and increase of vigor to every citizen. By his insistence on the enactment of pure food laws and by his persistence in dinning into the ears of the public the necessity for enforcing them, Doctor Wiley's has become a household name in the United States.

Many a battle has this veteran waged to save his laws and to keep them from destruction. He has fought against entrenched wealth and commercial avarice. He has been on guard between battles to make sure that no surprise attack might damage, if not destroy, the national pure food law. In view of his experiences I can not wonder that Doctor Wiley is suspicious of every move which involves any legislative change in the law. In my honest opinion, however, the good doctor is unduly sensitive on this score.

#### SCIENCE DOES PROGRESS

Think of what invention and discovery have done within a generation. We have the electric light, the automobile and tractor, the radio and radium. In the field of chemistry and physics many discoveries have been made. Artificial fertilizers and synthetic compounds without number have promoted the welfare of the human race. It is unreasonable to believe we ended scientific advances in food knowledge with the end of the last century. Yet, frankly, that is what Doctor Wiley appears to want us to believe in reference to sugar.

What do I mean by this? Before we had the pure food and drugs act, passed in 1906, we had a definition of sugar, as made by the Department of Agriculture in Circular No. 136 of the Food Administration. This defined sugar as sucrose. This definition continued to be the accepted one. It reads as follows: "Sugar is the product chemically known as sucrose (saccharose), chiefly obtained from sugar cane, sugar beets, sorghum, maple, and palm."

#### ABSURD TO EXCLUDE CORN SUGAR

The pure food and drugs act, popularly known as the national pure food law, according to the title is "An act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes." Under the terms of this law, read in the light of the definition I have told you is the official description of sugar, any article of food prepared or manufactured which is to be sweet to the taste must be made from sucrose, a sugar obtained from sugar cane, sugar beets, sorghum, maple, or palm. If it is sweetened with corn sugar, and that fact is not mentioned on the label, it is "adulterated or misbranded or poisonous or deleterious" within the meaning of the law. Could anything be more absurd? As stated by the official representative of the United States Department of Agriculture, the position of the department is as follows: "If there is a sweet taste there (in a food) the public ordinarily associates that taste with



sucrose, ordinary sugar. That is what it ordinarily understands is used, and that is the product that ordinarily has been used by canners where they have employed sweetening agents at all in canned products."

#### GOVERNMENT INCONSISTENT

No man could have a higher regard than I hold of the public, of its good sense, and of its remarkable knowledge in most things. But it is ridiculous to assume that the average man knows the difference between sucrose and dextrose. For instance, the public doesn't care what sweetening material is used in its food, so long as it is wholesome and really sweet. Then I want you to appreciate the inconsistency of the Department of Agriculture in this particular matter.

Before I mention that, however, let me testify to my high appreciation of that department. During the years I have been in the Senate I have never failed to vote for or to support every measure seeking to enlarge the usefulness of this important activity of Government. But in the matter of the untrammelled use of corn sugar I am confident that the department is making a serious mistake.

#### CORN SUGAR IN ICE CREAM

To return to what I called the inconsistency of the department: Corn sugar is now extensively used in making ice cream, products of the bakery, and in preparing meat and meat products. Its use in the baking industry is provided for in a food-inspection ruling. Its use in making ice cream and candies is now so general that the practice is not questioned. This is perfectly proper, because corn sugar is admittedly pure and wholesome. It is nutritious and health promoting. Its use in any prepared food in no manner whatever involves an injury to the public or individual health.

The Department of Agriculture has no fault to find with the uses of corn sugar I have enumerated. But, under the present rulings, jellies, jams, preserves, canned fruit, canned vegetables, sweetened condensed milk, beverages, catsup, and so on are defined in such a way that only sucrose—that is cane or beet sugar—may be used without special mention on the label. If dextrose—corn sugar—is used, this fact must be mentioned on the label.

The label mention of the use of corn sugar condemns it at once. As I have said, the public has come to believe that only adulterations and poisons are so mentioned. The truth of this statement is proven by the unwillingness of canners and preservers to use an article that must be label mentioned.

It is a shame, as I view it, that corn sugar is denied the freest public use. It is not like salicylate of soda, borax, or some other chemical preserve. It is a pure, wholesome, digestible food. Indeed it is much more digestible than cane sugar. As a matter of fact, before cane sugar can be assimilated by the body it must be changed into dextrose.

#### SUGAR IS SUGAR, SAID DOCTOR WILEY

I can not understand Doctor Wiley's bitterness and almost violent opposition to corn sugar. If I am correctly advised, while he was chief of the Bureau of Chemistry of the United States Department of Agriculture, Doctor Wiley said: "Refined sugar, whether it is made from cane, beets, corn, maple sap, or any other product, is the same chemically and physically." I quote this from Harry A. Austin, of the United States Beet Sugar Association. But regardless of what Doctor Wiley thinks at present, there is a cloud of witnesses to the wholesomeness and goodness of corn sugar.

In a report from the Bureau of Standards, dated March 3, 1926, on the use of dextrose and levulose in human diet, I quote: "Fortunately the literature of American medicine is richly endowed with exhaustive studies on the subjects at hand by men of large reputation and unquestioned integrity. Indirectly the bureau has long been interested in these fields of endeavor, and where its work has even a remote bearing thereon it has been conducted in full sympathy and understanding with the ideals and practices of America's distinguished medical profession. In deciding upon the sources from which to obtain the information, the staffs of various Government institutions, such as the United States Public Health Service, the Hygienic Laboratory, the Army Medical School, and the Bureau of Home Economics have been consulted and their able suggestions followed. Needless to say, this procedure was adopted with the objective that the sources of information consulted should be as widely disseminated, authoritative, and unbiased as it is humanly possible to obtain. And it may pertinently be noted at this point that in our search we have failed to find a statement by a single authority that is detrimental to the use of dextrose and levulose as human food; or that their use as food would cause diabetic mellitus. On the contrary, we have found that all authorities are positive as to the desirability of these sugars as human food. Their commendation of the bureau's work on the sugars, whenever they have had occasion to comment, has been unstinted."

This statement is in the fullest accord with my own view. I am confident we should do our best to get the Department of Agriculture to withdraw its opposition to the proper use of corn sugar. We should ask our Congressmen to pass the Cole-Capper bill for the freer use of corn sugar.

If somebody were proposing to permit the use in harmful quantities of boracic acid, salicylate of soda, some coal-tar coloring material, or any

other substance of known or alleged harmfulness to the human family, every citizen should rise up to protest. But to permit the use of sugar made from American corn is in no sense whatever an attack upon the national pure food law.

#### AMERICAN HOSPITAL OF PARIS

Mr. BECK. Mr. Speaker, I ask unanimous consent for the present consideration of House Joint Resolution 73, to amend the act entitled "An act to incorporate the American Hospital of Paris," approved January 30, 1913, which I send to the desk and ask to have read.

The Clerk read as follows:

#### House Joint Resolution 73

*Resolved, etc.,* That the proviso contained in section 2 of the act entitled "An act to incorporate the American Hospital of Paris," approved January 30, 1913, is amended to read as follows: "Provided, That the total value of the property owned at any one time by the said corporation shall not exceed \$8,000,000."

Mr. BECK. Mr. Speaker and gentlemen of the House, in explanation of this resolution, as many of you know, some very generous and public-spirited Americans in Paris founded the American hospital for the relief of Americans who become ill in that city. They obtained a charter from our Government by the act of Congress referred to in the resolution. That charter contained a clause that at any one time they could not have assets in excess of \$2,000,000. They now have assets in excess of \$1,000,000. Because of the increased travel of Americans to Paris, they urgently need additional funds. They have already the assurance of a tentative gift of half a million dollars and also have the assurance of bequests that would carry the assets beyond the \$2,000,000 limit. They are also about to institute a drive among patriotic Americans in Paris to increase the facilities of what is a very noble institution. The urgency of the matter is that it requires action in order that they shall proceed with the financing of the addition to the hospital. The resolution asks not a penny from the Government, and the hospital is purely a philanthropic undertaking.

Further, I consulted the chairman of the Committee on the Judiciary, as when constituted, and also the ranking Democratic Member, and both of them told me that they had no objection to the passage of the resolution.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. BECK. Yes.

Mr. STAFFORD. As I understand the resolution, there is to be no limit on the amount?

Mr. BECK. Oh, no. The limit is placed at \$8,000,000.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the joint resolution was passed was laid on the table.

#### LEAVE TO ADDRESS THE HOUSE

Mr. HOWARD. Mr. Speaker, timorously I approach a duty, the duty of asking unanimous consent of the House that on day after to-morrow morning, after the disposal of matters on the Speaker's table and the reading of the Journal, I be privileged to address the House for 25 minutes.

The SPEAKER. The gentleman from Nebraska asks unanimous consent that on Friday, after the disposition of matters on the Speaker's table and the reading of the Journal, he may address the House for 25 minutes. Is there objection?

Mr. HAWLEY. Mr. Speaker, with renewed and deeper regret I am forced to object.

The SPEAKER. Objection is heard.

#### THE TARIFF

Mr. HAWLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 2667) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, to protect American labor, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 2667, with Mr. SNELL in the chair.

The Clerk read the title of the bill.

Mr. HAWLEY. Mr. Chairman, I yield 20 minutes to the gentleman from Pennsylvania [Mr. Beck].



Mr. BECK. Mr. Chairman and ladies and gentlemen of the House, I do not rise to discuss any tariff duty in the proposed bill. I am frank to say—and it may be a naïve statement—that with the possible exception of one schedule—the sugar schedule—I have no such independent knowledge as to justify me in differing from the conclusions reached by the majority of the members of the Committee on Ways and Means, in whose exceptional knowledge and integrity of purpose I have complete confidence. I do not propose to discuss the sugar schedule, although I have some opinions with respect to the merits of that proposed change in the tariff bill to which I may give expression later. I am rather seeking to challenge the attention of the House as best I can to what seems to me to be a question of fundamental importance and one very gravely affecting the dignity of Congress and the peculiar prerogatives of the House of Representatives. I refer to that provision in the administration features of this law which provides in substance that the President may determine whether or not, as between foreign producers who export to this country and domestic producers, there is any inequality in conditions of competition; and if he finds such inequality in conditions, he is further authorized, in his discretion, with the aid of the Tariff Commission, to impose such duties by way of increase or suspend such duties by way of decrease as will compensate for this purely theoretical equilibrium between the conditions of competition in the markets of this country. To enable the President thus to exercise the most ancient prerogative of Congress, or of any legislative body in any free country in the world, namely, the prerogative of imposing taxes, the President is authorized to change classifications and duties, and he is further authorized to change, if necessary, the method of valuation by adopting the American market price as against the price in the market of export. Thus the President has an absolute discretion, between the maximum and minimum of the statute, to impose whatever duties he pleases upon his determination of a condition which is far more of a theory than a matter of precise ascertainment. If there is, by reason of some human, spiritual, economic, or financial reason, some inequality that puts a producer in Europe who exports to America at a disadvantage with the American producer, or puts the American producer at a like disadvantage with the foreign exporter, then the President may by a change in duties restore the theoretical equality. It can not be denied that that is the most far-reaching transfer of the power of Congress to the President that has ever been proposed in Congress.

It would give me less concern if it had not received not only the support but also confirmation in the speech that our esteemed colleague the gentleman from New Jersey [Mr. FORT] made yesterday afternoon, to which I shall presently refer.

But before doing so I want to suggest to the House a curiosity I felt when my attention was first drawn to this remarkable provision of the proposed law by the very able speech of the gentleman from Georgia [Mr. CRISP], in which speech, so far as it referred to the constitutionality of this proposed flexible tariff provision, I heartily concur.

I want to consider first what was the genesis of such a provision which, at the very time we were disputing with the Senate the question as to whether or not the Senate can initiate a bounty for farmers, proposes to transfer an almost absolute power of taxation on every article of merchandise within a given minimum and maximum to the President of the United States. [Applause.]

Having had some experience with the Executive branch of Government, I suspected that this proposal did not originate in the Committee on Ways and Means. I suppose it arose in the mind of one of these theoretical economists, who had recently been a professor in some college—and they are as full of ideas as a dog is of fleas—who first persuaded the Tariff Commission to do what every other Government bureau does, namely, having acquired power, to reach out for more power. Having persuaded the Tariff Commission, and the Tariff Commission having persuaded the Treasury Department, the Treasury Department then sends the recommendation to the Committee on Ways and Means, and, as an administrative measure, the committee concludes that the greater wisdom of the Executive branch of the Government should prevail; and thereupon this provision to transfer an almost absolute power of taxation upon the determination of no precise or tangible facts, but upon a simple economic theory, makes possible the transfer of this most unprecedented power.

The provision, if adopted by this House, will ultimately be submitted to the Supreme Court of the United States, and I am not prepared to say that the proposed law may not receive the pontifical absolution of that great court, for the very obvious reason that that court from the beginning, as it must be in a democracy, assumes any state of facts, however far reaching, however far from reality, or any method of reasoning

that does not do plain violence to common sense, in order to sustain what it regards as the will of Congress. That is the vicious circle in this and many other respects around which we are moving in this country. One individual in an executive bureau conceives an idea that greater powers ought to be given to the Executive, and then the appropriate department approves it, and then your committees approve it because the department did, and then the Congress enacts it because the committee approves it and then the judiciary adds its final sanction out of respect for the legislative will. Ever thus a new innovation in our laws is made a part of our system of government, which gravely affects the future development of American institutions.

I shall now refer briefly to the remarks of our colleague from New Jersey [Mr. FORT], who not only gave his blessing to the proposed change but desired that it should be expanded; and in order that I may not do injustice to his thought I ask your attention while I read it.

Speaking yesterday he said, answering the objection that the flexible tariff clause was an unauthorized delegation of legislative power to the Executive:

The second reason is that Congress, it seems to me, has lost nothing but trouble in its delegation of other like powers, as, for example, over railroad rates.

Let me interpolate that there is no just analogy between railroad rates and a tax, and if I had the time I could readily demonstrate it.

Mr. FORT continues:

I believe we will be a stronger body, both in fact and in the public mind, if we rid ourselves of as many details and administrative matters as possible, for we will then have—what sometimes we now lack—time for the thoughtful consideration of matters of vital public policy. Let us make the rules and declare the policies and let somebody else attend to the details.

That, as an abstract truth and as applied to details, which are essentially or predominantly executive in character, might well receive the concurrence of any thoughtful man, but the details of which he was speaking were details of taxation, and taxation is the first and greatest function of a legislative body, and it is the one function that has hitherto distinguished a free nation from one that is not free. In other words, all the great battles of English liberty were fought about this question whether any power, even that of an absolute monarch, could impose a duty without the consent of the great council of the realm. As we know, one English King lost his head in trying to impose taxes without the consent of Parliament; another lost his crown for the same reason; and the most glorious chapters of English history are those when Pym, Eliot, Hampden, and Wentworth, distinguished members of the House of Commons, were willing to risk their heads upon the block rather than surrender the power of the Commons to decide the methods of taxation, which my brother from New Jersey calls "details." [Applause.]

Mr. MORTON D. HULL. Will the gentleman yield?

Mr. BECK. Yes.

Mr. MORTON D. HULL. Is not consent given by the delegation of the power?

Mr. BECK. To say that the transfer of a power is the consent of the House to its exercise is to say that the abdication of an essential and vital parliamentary function is a proper discharge of that function, and that would make meaningless all parliamentary institutions. In other words, suppose that Parliament—and it never would—should vest in King George the power to impose any tax he pleases—even considering that Parliament were subservient enough to do it—would that be consistent with the historic ideals of the English-speaking race? I venture to say it would not. [Applause.]

I wish to say, in respect to the statement of Mr. FORT, which I have just quoted, for whose judgment I have profound respect—and his argument in other respects was most able and generally had my concurrence—I doubt whether he reflected the views of the President. I know perfectly well, and we all rejoice in the fact, we who are his friends, that the gentleman from New Jersey enjoys a relation to the President which is peculiarly close. We are glad that the President has the advantage of so wise, so disinterested, and so loyal an adviser, and we are equally proud and glad that a Member of this House enjoys, to such an especial degree, the confidence of the President. But the President could not have sanctioned this statement that we were simply to proclaim a policy like protection and then allow the President to impose the duties that would carry it into effect, and that is the substantive meaning of this novel idea, that we are to become an academic debating society to discuss certain broad principles but we are to permit



the Treasury Department and the President to work out the details. Of course, the details might often be so different from the spirit of the general policy that the will of Congress would be destroyed. The President could not have sanctioned the suggestion that we were to proclaim a policy and then, as the gentleman from New Jersey said, have the Congress impose a nominal duty, and then authorize the President to impose a maximum duty, which might be a thousand per cent, and then say to the President, "Now, we have said that we want the products of American manufacture and of the American farm to be protected. And now it is for you, Mr. President, to raise or lower the duties as you think best, in your discretion, in order to carry out this policy."

If that were to be done, what becomes of the provisions of the Constitution, which state that all legislative power is vested in the Congress? What becomes of the special provision that the Congress shall impose taxes for the common defense and general welfare? What becomes of the yet more restricted provision that any bill to raise revenue shall originate in the House of Representatives? What becomes of all three, if you can set up a mere academic proposition and then leave to the President the power to raise or lower taxes at will?

I have said that can not be the President's view, and to sustain that contention I want to read to you what he said on the 15th of October, 1928, in a speech he made in the city of Boston. And they are golden words. They are the words of a true constitutionalist. The most ardent lover of the Constitution in respect to those questions could not ask more than these words I now read:

The Tariff Commission is a most valuable arm of the Government. It can be strengthened and made more useful in several ways. But—

A portentous "but"—

the American people will never consent to delegating authority over the tariff to any commission, whether nonpartisan or bipartisan.

[Applause.]

Our people have the right to express themselves—

Says the President—

at the ballot upon so vital a question as this. There is only—

Listen to this—

There is only one commission to which delegation of that authority can be made. That is the great commission of their own choosing, the Congress of the United States and the President. It is the only commission which can be held responsible to the electorate. Those who believe in the protective tariff will, I am sure, wish to leave its revision at the hands of that party which has been devoted to the establishment and maintenance of that principle for 70 years.

It may be said—and I am sure the question has arisen in the minds of a great many on this side who are doing me the kindness to follow me and who have out of courtesy not interrupted me—they may say, but after all, has not this question been decided by the Supreme Court; did not the flexible tariff provision of the act of 1922 receive the sanction of the Supreme Court; and if so, is there any question of constitutionality in a juridical sense that remains to be discussed.

I venture to say there is a marked difference between the provisions of the flexible tariff of 1922 and those contained in the present bill. Let us consider them. I fear I will not have the time, and yet this question is of such tremendous import and I am so anxious that the Members of this House, particularly those not of the legal profession, shall see exactly how far the Supreme Court has gone in sanctioning these delegations of authority—

Mr. GARNER. Will the gentleman from Pennsylvania permit an interruption?

Mr. BECK. Certainly.

Mr. GARNER. The gentleman from Pennsylvania is making a wonderful argument and a splendid contribution to this subject, and, if the gentleman will permit, I am going to yield him such time as he may need to conclude his remarks. [Applause.]

Mr. BECK. I thank my friend the distinguished leader of the minority heartily for his very great courtesy. I will try to justify it to the best of my ability.

I was about to say that I want this House to understand the extent to which the Supreme Court has given any judicial sanction to the delegation of the taxing power, and when I do this I shall not rest my argument, even though I assume that the Supreme Court may hereafter, in its policy of resolving all doubts in favor of an act of Congress, find it possible even to go as far as to validate the provisions of this act.

The first and the greatest case in this matter was the case of *Field v. Clark* (143 U. S. 649), and I want to read the provisions of that statute. It was the McKinley reciprocity statute, and I want to read the language in order that you may see exactly what was there passed upon. That act said:

That with a view to secure reciprocal trade with countries producing the following articles, and for this purpose, whenever and so often as the President shall be satisfied that the government of any country producing and exporting sugars, molasses, coffee, tea, and hides imposes duties or other exactions upon the agriculture or other products of the United States which, in view of the free introduction of such sugar, molasses, coffee, tea, and hides into the United States, he may deem to be reciprocally unequal and unreasonable—

That in that event, to summarize, he shall have power to impose certain duties which Congress specifically prescribed.

This case was argued very ably and, as I remember, the only serious doubt any constitutional lawyer had was that the President was to be the judge of whether the legislation of other countries in the matter of imports was reciprocally unjust as compared with the benefits that they received from our free list. It certainly gave him the power to do something more than ascertain a tangible fact, which was capable of precise statement and about which there could not be any reasonable difference. Some argued that it was a question of opinion whether or not there was this lack of reciprocity. However, the Supreme Court—Chief Justice Fuller and Justice Lamar dissenting—sustained that power on the ground—and it must have been upon this basic premise—that it was a practicable thing to ascertain with precision whether the laws of another country were lacking in reciprocity as compared with the advantages that our free list gave to them, and that was sanctioned and has become a part of the fundamental law.

The countervailing duties case is thoroughly defensible and involves no delegation of power whatever. Of course, the Congress can pass a law imposing a duty and then provide that upon the happening of a certain contingency, like a bounty granted by a foreign government to their exports, that in that event an additional duty equivalent to the bounty can be imposed.

No one questions this at all, because you will see that in both classes of cases the fact to be ascertained, upon which the will of Congress changes, is an ascertainable fact susceptible of precise statement, admitting of no reasonable discretion as to its existence as a fact, and what is to happen has been prescribed by Congress, so that the President merely discharges the ministerial duty of proclaiming the existence of a fact and notifying the world that by reason of that fact a different duty is prescribed. Here is no delegation of the taxing power.

Now, we come to the flexible tariff act of 1922 and there approach ground that I think many old-fashioned constitutionalists, of whom I claim to be one, wonder how the Supreme Court could have reached its decision in the case of *Hampton v. United States* (276 U. S. 394), but when we know the undoubted policy of that court to accept, if at all possible, any legislation that Congress makes as within the Constitution, a policy so conservative and so tenaciously adhered to that less than 50 Federal statutes from the beginning of the Government have ever failed to receive the pontifical absolution, to which I referred—I say we can understand their desire to accept what was theoretically and presumably the will of Congress. Let me compare the provisions of the act of 1922 with the provisions in the bill now under consideration. The act of 1922, which is the existing law, provided that the President, whenever he finds that the cost of production of an article made abroad and exported to our shores and the cost of production of a like article made in this country are unequal, that thereupon the President can make a change in duty of not more than 50 per cent from the established rate in order to adjust the inequality in the cost of production.

The Supreme Court, when they rendered this decision, necessarily accepted two basic facts, and if they did not accept these two basic facts it is incredible that they could have sanctioned this power to transfer the taxing power to the President.

The first basic fact was that the costs of production of a foreign article were susceptible of exact computation and ascertainment and could be put into the form of a precise statement and that their actuality could be for all practical purposes established.

The second basic premise was that it was practicable by a mathematical computation to so adjust the rates that there would be a compensation for the difference in the costs of production.



Unfortunately, both premises we now know to be quite inaccurate. The court accepted them because Congress did, but experience has shown that costs can not always be estimated.

The Supreme Court is not to be criticized for assuming these premises because Congress assumed them. Indeed, the court can not do otherwise than assume any state of facts which the Congress assumes for the purpose of its legislation; but we know now, and the committee's report establishes that you can not in all cases, or in many cases, ascertain with any degree of accuracy the costs of production abroad, and we also know without much outside information the surpassing difficulty, if not impossibility, of making a mathematical computation of the difference between the cost of production, if and when ascertained, and the existing duty.

It is because these two premises are now recognized by the Committee on Ways and Means to be unsound that the Tariff Commission proposes to extend the whole basis of the statute to something that is a new basis that is not only insusceptible of ascertainment, but in the final analysis is only an economic theory. Because this act says, not that there shall be the power of the President to increase a rate of duty to adjust an inequality in the cost of production, which are questions of fact, however difficult to be ascertained, but this statute says that there shall be ascertained by the President "inequalities in the conditions of competition." What are these inequalities? Are they inequalities that relate to the human spirit, are they inequalities inherent in the good will, are they inequalities in the political advantages that a government may give its own people, are they inequalities purely of a financial character? To what extent is there any definite restriction on what the President is to find except that he is to reverse the immortal epigram of President Cleveland—he is to say it is not a condition but an economic theory that confronts us. The President is to determine a theory—moral, political, economic, financial, or what you please—determine it in his discretion, and then within a limit of 50 per cent increase or 50 per cent decrease make such adjustment as will meet the theoretical inequality which will inevitably be very largely a matter of conjecture.

I have stated frankly to this House—and I hope I shall never make a speech which will be lacking in frankness—that I am not prepared to predict that the Supreme Court may not recognize this delegation of power, as they accepted the provision of the 1922 act. It is certainly a portentous and dangerous step to take—to substitute for a certain standard an inexact and speculative standard like the one proposed.

I say that is a long step beyond anything Congress has done.

Mr. MOORE of Virginia. Will the gentleman yield?

Mr. BECK. I yield to the gentleman from Virginia.

Mr. MOORE of Virginia. Will the gentleman state how the court divided in the last case he mentioned?

Mr. BECK. They were unanimous. The Supreme Court is very much like Hamlet following the ghost of his father in the first act of that great tragedy. The court follows that ghostly thing we call the will of Congress. It follows it as did the Prince of Denmark follow the ghost, with timidity and trembling, because it never knows how far the Congress is going or into what abyss of unconstitutionality the ghost may lead it. [Laughter and applause.] But finally there comes a time when the court sees it is approaching some perilous cliff, and it says, "Whither wilt thou lead me, speak, I will go no further." [Laughter.] For example, the court in *Veazie and Fenno* gave its judicial sanction to the power of Congress to destroy by a perversion of the taxing power the undoubted right of State banks to issue currency.

Then came the case of *McCray* against The United States, where they held that a statute, which said that if oleomargarine was colored pink, or any other color than the color of butter, it could have a very moderate tax, but if it ever looked like butter there was a prohibitive tax. Then Congress, following that doctrine of the court, passed the child labor law, which I argued in the Supreme Court, and which sought by another perversion of the taxing power to prohibit the manufacturers in the States from employing child labor, and it was at that point—and I, as a lover of constitutional institutions, thank God for their decision—that the Supreme Court said, "Whither wilt thou lead me? Speak, I will go no further," and they invalidated that law. I shall not be surprised when this particular provision comes before the court, if it does come, to hear the court say, "We have carried this doctrine of delegating essential legislative powers to the extreme limit, and we will go no further." [Applause.]

But suppose, gentlemen of the House, that this is sustained by the Supreme Court? Does that answer our constitutional scruples? Some of you may recall a speech I had the great honor of making in this House on February 22, which was received with so much indulgence by the Members of the House,

and you will remember that there I spoke of the large sphere of political power in which constitutional provisions can be invoked, but which are beyond judicial view because they are essentially political in character; and it is that fact that makes it obligatory upon us, if we are the worthy heirs of the great traditions of the English-speaking race, to bear in mind in the exercise of these powers the great historic principles of English liberty, the greatest of which is that a free people should never be willing to be taxed except by the consent of their representatives in Congress assembled. [Applause.]

Ah, you will say, but there are two obvious distinctions between the great quarrels between the English lovers of liberty and arbitrary English Kings in the times of the Tudors and the Stuarts, which culminated disastrously for one Stuart, Charles I. You will say the essential distinction is this, first, that the tax to be imposed, unquestionably in substance by the President, is, after all, imposed by a President who is also elected by the American people, and who is responsible at periods of four years to the American people. But the answer to that is that the Constitution of the United States did not intend to leave this kind of taxation to any one man, even though he be the President of the United States. [Applause.] The Constitution took great care to say that the legislative powers were to be vested in a Congress which, in the Senate, would represent the States as States, and in the House should every two years be the fresh expression of the majestic will of the people. The Constitution also provided specifically, in order that there should be no question as to whether the imposition of a tax is a legislative act, that the Congress shall impose taxes, and that bills to raise revenue must originate in the House of Representatives. That is what the Constitution says, and however pleasant it may be for us to divest ourselves of further responsibility and visit all the burdens as well as the powers of taxation on the President, the fact remains that the Constitution forbids it; and it is no answer, in connection with these ideals of the English-speaking race, to say that the President is elected. But the second distinction is that Congress authorized the President to impose these increased duties. That is the question raised by the interruption of my friend upon the left. As I said to him then, and I venture to say now, can it make it a less indefensible betrayal of the great principles of the English-speaking world to vest in one man, however august his power, however great his dignity, however noble his personality—can it make it any less an indefensible betrayal of the basic principles of English freedom for this House to say to him as a subservient body, "We turn it over to you; you find out whether there is any inequality in competition; you determine what you think is necessary to equalize the difference in competition. We do not care to discharge the duty vested in us by the Constitution; we want to resolve ourselves into a debating society to discuss abstract problems and general policies, and we will leave to you, Mr. President, the nice function of determining what duties shall be imposed to adjust our country to a purely conjectural condition of economic equality." [Applause.]

Some will say that the President does not impose any taxes under this provision. You know the difference between the adjudication of a State statute by the judiciary and a Federal statute is that with a State statute the judiciary looks through the form at the substance, and with a Federal statute the form is accepted as a fair statement of the substance, and in that way statutes that are often wanting in constitutional power are accepted. Very well. Now, look through the form at the substance of this thing. The President appoints the Tariff Commission. Under this law it may be wholly composed of one party. I am not quarreling with that provision; that may be wise. The President can remove them at will. Under the case that I argued in the Supreme Court—*Myers v. United States* (272 U. S.), one of the very greatest I ever had the privilege of arguing in that great and noble court—the power of the President to remove every member of the Tariff Commission is established beyond peradventure.

So that, with his power of appointment, stimulating gratitude, and his power of removal, stimulating fear, the President controls the Tariff Commission. I do not mean by that that this President or, please God, any President that may be elected hereafter in our lifetime, would use that influence with the Tariff Commission; but the power of the President over the Tariff Commission is very strikingly shown by the fact that when a Tariff Commission recommended a reduction of the duty on sugar a former President of the United States ignored their recommendation and refused to make the reduction. So that a Tariff Commission is a good deal like a board of directors. It may have some potential usefulness, but generally it is a deliberative body and its executive head controls. The President is to determine what is called an "inequality in the condi-



tions of competition," and then the President is authorized to raise or lower any item in the whole tariff structure in his sole discretion in order to adjust the country to what he calls an equality of competition. What is more, let me suggest this: Do not think for one moment if this law is passed and this law is validated by the Supreme Court, which is very doubtful—do not suppose that there will be any judicial review by anybody, because there can not be any judicial review as to the exercise of this discretionary power. If there be one principle that is established in this country beyond any other by the Supreme Court in a number of decisions, it is that they will never interfere with an act of political discretion by an Executive, least of all by the President of the United States. They declined to even entertain a suit against Andrew Johnson for enforcing a bill which Andrew Johnson had declared unconstitutional.

Therefore, it will be in the discretion of the President, and as the compensatory duty is likewise vested in the discretion of the President, the President can in his discretion destroy an industry by reducing the tariff or destroy one competing industry in favor of another by imposing an increase of duty, and there is no officer or court who can call his act into question. He would be as arbitrary as a Tudor monarch. I should be amazed if such a principle should become a law.

I only want to address myself to one other thought, particularly to my colleagues and esteemed friends of the Committee on Ways and Means, and especially to the leader on this side of the House.

Mr. CRISP. Mr. Chairman, will the gentleman yield for a question before he goes farther?

Mr. BECK. Certainly.

Mr. CRISP. Is it not just as constitutional and just as logical to transfer to the President upon a finding of facts by the Secretary of the Treasury, as to the financial needs of the Government, the power to raise or lower income-tax rates 50 per cent as this proposal?

Mr. BECK. Yes. If this law be valid, you could pass a law to the effect that the President, by the advice of some auxiliary body, could raise or lower income taxes, or change any form of taxation at his pleasure, if some economic or moral abstraction is used as the basis of his action.

Mr. LINTHICUM. Mr. Chairman, will the gentleman yield there?

Mr. BECK. Certainly.

Mr. LINTHICUM. The gentleman was speaking a moment ago about the Tariff Commission. During a former presidential term Mr. David J. Lewis, of Maryland, a member of the Tariff Commission, as his term was about out, was given to understand by the President that if he would submit his resignation, to be held by the President, he would be reappointed. Mr. Lewis absolutely refused to do it and somebody else was appointed in his place.

Mr. BECK. I wanted to say a word on the question of policy, not so much on the question of constitutionality. I am a Republican and a protectionist. If this provision is in the bill, with the possible exception of sugar, all the other items in the bill have my hearty concurrence; and even as to sugar I may hereafter be convinced that the proposed increase is justified. But as to the question of protection, are you not playing with fate when you, as the friends of protection, put this provision in the law? It is a beautiful law so long as you have a high-tariff President. You do not have to wait for Congress to propose anything. As the exigencies seem to justify, the President sends for the Tariff Commission and tells them to make a report upon this or that duty, and up goes the duty.

But are you so certain that three years or seven years from now we will have a high-tariff President. Politics are precarious and now in a very fluid state. There might be an upheaval in Europe that will cause a disruption of our economic system in this country, and the higher the wave is the more destructive its violence will be when the wave breaks. Let us imagine a low-tariff Democrat President, like my friend from Tennessee [Mr. HULL], one of the old guard for tariff for revenue only. Suppose the gentleman from Tennessee should become the next President of the United States. [Applause.] Well, that wish may be on the Democratic side the father to the thought. [Laughter.] You can not get the flexible tariff provision out then, because the same election that would put your President in power would be an election that would also carry at least more than a third and probably more than a half in the House and Senate, and the cause of protection in this country may then be confronted with a far greater peril than a possible revision of the tariff by Congress. Then you will be face to face with the fact that a single man, the President of the United States, under a power that you gave him and under a power that you encouraged him to exercise, will summarily reduce tariff rates at a rate so rapid and bewildering that a

great many manufacturers in this country will rue the day when they ever vested such power in a single functionary, who may be a low-tariff man or a high-tariff man as the exigencies of politics may determine.

Mr. GIFFORD. Will the gentleman yield?

Mr. BECK. Yes.

Mr. GIFFORD. I was thinking of the same question asked by the gentleman from Georgia [Mr. CRISP], who made a parallel between income-tax rates and tariff rates. I would like to ask the gentleman if the delegation of power is not given to the Secretary of the Treasury to even a greater degree in respect to the bargaining clause in the income tax law?

Mr. BECK. If I correctly understand what the bargaining clause is, it is an adjustment of taxation and therefore an executive function.

Now, gentlemen, I am drawing to a close. I certainly am appreciative of the attention the House has given me. I appreciate the fact that I may not altogether have met the views of my party associates, but I want again to recall, if I may, one single thing I said from this place on Washington's Birthday. I said, quoting a portion of the Farewell Address, that the greatest menace to the perpetuity of our institutions and the greatest possibility of the destruction of the nice equipoise between the Executive and the congressional power was the aggrandizement of the Executive and the diminution, the persistent self-destruction, of Congress in a surrender of its vital powers of legislation. I believe that peculiarly applies to this matter. You give the President of the United States this power of taxation. He already has great power over banks; he has power with respect to railroads; but as my friend from Georgia so well said in his speech on May 15, which I may say was the incentive—I will not say the inspiration, because my speech is much too poor to use the word "inspiration"—but the incentive of my speech was the argument of the gentleman from Georgia [Mr. CRISP] that this flexible tariff law was an unconstitutional delegation of legislative power. If you give to the President this enormous power over every manufactured commodity, the power to ascertain the fact, which if he finds it no one can dispute and which, having found, he is the judge of the appropriate remedy—if you give him that power, you have given him power which admits of infinite abuse. Now, I honor, admire, and esteem too much the present President of the United States to think for one moment that he would abuse it. I am equally confident that if the gentleman from Tennessee, whom I unintentionally nominated for President a few moments ago [laughter], were to be President he would not abuse it; but as I said on February 22, let an unscrupulous and ambitious man become President of this country, with all the powers he has under the Constitution and with all the powers that have been given him since the Constitution by the development, I might almost say the perversion, of that instrument, and you have a man so powerful that if he cares to exercise that power nothing but his own death would ever unseat him, unless it were a political revolution. [Applause.] He would have the power to make terms with the greatest industries of this country and give them increased duties or he could terrorize them by the threat of reduced duties, if he saw proper.

If I were the majority members of the Committee on Ways and Means or the floor leader, I would stop and think whether there may not be some truth in what I have said. I would stop and think whether it would not be advisable to permit a debate on this great subject by allowing an amendment on the flexible tariff, or preferably I would take out of this bill this flexible tariff provision, which I understand was inspired by the Tariff Commission in search of greater power. Take it out and make it the subject of a separate bill. Let us debate it with all the care and attention and with all the time that is demanded by a question of surpassing importance, because it goes to the very fundamentals of a free Government. [Applause.]

Then if the House reaches the conclusion that it is safe to vest any such power in the President let them do it, but let us not sacrifice a great principle, an imponderable to a ponderable, an eternal right of Congress to a temporary expediency by so interweaving it with a tariff bill, otherwise admirable, that there can be no fair or reasonable debate upon what I believe in truth to be a momentous and utterly indefensible change in the character of our Government. [Applause.]

Mr. HAWLEY. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. MENGES]. [Applause.]

Mr. MENGES. Mr. Chairman, I hesitate very much to appear before the committee and talk to you on the subject I am about to speak on. I appreciate the enormous amount of work the committee has done in writing this tariff bill, and the patience they have exercised in the hearings. The Ways and



Means Committee saw fit to refuse the imposition of an additional tariff on domestic grown wrapper tobacco, which is used in my district, because we did not make good our case. Now, I am endeavoring to make good, if I possibly can.

The district I represent manufactures more cigars—the 5-cent cigar I am talking about—than any other district in the United States. The people who manufacture these cigars sent a committee to appear before the Ways and Means Committee and to advocate the imposition of a tax of \$4 a pound on Connecticut, Massachusetts, Georgia, and Florida wrapper tobacco.

These men are cigar manufacturers. They use this tobacco and you are probably ready to ask me the question, Why should they come here and ask for the imposition of a tax on foreign wrapper tobacco if they are manufacturers and likely can buy their wrapper tobacco cheaper from a foreign country than they can from our domestic producers? I want to answer this question by saying that these people have developed a cigar industry in my district and they have developed this industry by the use of domestic-produced wrapper tobacco, produced in Connecticut, Massachusetts, I suppose a part of Rhode Island, Florida, and Georgia, which has given character to their product. Not only this, friends, they are making an enormous amount of cigars.

In 1927 there were manufactured in my district 1,794,992,736 cigars of weight of more than 3 pounds to the thousand. Of this number, 950,022,758 were grade A, or 5-cent cigars; 241,893,368 grade B cigars; 597,202,172 grade C cigars; 5,671,197 class D cigars; and 203,241 Class E cigars; or a total of 1,794,992,736 cigars. In 1927 tax was paid on 1,794,992,736 cigars or anywhere from \$1,000,000 to \$1,500,000 of tax to the Treasury of the United States.

These gentlemen came here and they asked that the tariff on wrapper tobacco be increased from \$2.10 to \$4. Now, who appeared with them? The National Grange appeared by its representative, Mr. Fred Brenkman; the Farm Bureau Federation appeared through its representative, Mr. Chester Grey; and the Tobacco Growers of Massachusetts, Connecticut, and the northeast, and the tobacco growers of Florida, who produce this domestic wrapper tobacco, appeared and asked for this increase in duty on wrapper tobacco. Not only did they appear but gentlemen from Florida and gentlemen from Connecticut have since appeared before the committee and have asked for this increase in duty on imported wrapper tobacco.

Now, who appeared against this proposed increased duty? The raisers of filler tobacco. They asked that the committee reduce the tariff on imported wrapper tobacco from \$2.10 to \$1.50.

What was the reason they asked for this reduction? The reason was that they might sell more filler tobacco through the increase in the consumption of 5-cent cigars. In other words, they asked that the tariff of their fellowmen product be reduced in order that they might prosper. I think this one thing alone ought to decide the question as to whether we should have an increase or a decrease in the duty on wrapper tobacco imported into the United States. I think this alone ought to decide it.

But who else appeared? The Tobacco Merchants Association of the United States appeared. I want to say here that they not only appeared but they brought fellows here who represented themselves as farmers to appear in their behalf. One of these parties told me so.

Now, who is this association I have referred to? The Tobacco Merchants Association of the United States has no rating in Bradstreet's, Dun's, Moody's. Mr. Charles Dushkind, of New York, is the attorney of the association and he is the only man in connection with this concern whose name I have been able to secure and I could not get his address. Now, who else appeared? Another financially irresponsible concern that advocated this reduction and opposed an increase in tariff is the National Cigar Leaf Tobacco Association. This concern also has no rating in Bradstreet's, Dun's, or Moody's. It is not given in Thomas's Registry of Tobacco Companies for 1928 and 1929.

Its supposed representative in Washington, W. L. Crouse, is not given in the telephone or city directory of the city of Washington. [Laughter.] No wholesale dealer in cigars in the city of Washington has ever heard of this association. This is the concern which makes a special effort to discredit the 5-cent cigar made in York County, Pa., through Nathan I. Bijur who appeared before the committee. Now, what does Bijur say about these cigar manufacturers? This is what he said:

Mr. Brooks, the gentleman who appeared for the York County, Pa., Cigar Manufacturers' Association, has failed to inform the committee that the nickel cigar which he makes, and those which are made by a majority of his associates, are filled with a scrap filler which is the cheapest and least important form of cigar-leaf tobacco considered from the standpoint of the farmer.

Well, let us see. He gives the quantities of scrap tobacco consumed in the first Pennsylvania district, and I will read you the facts as I got them from the Internal Revenue Bureau:

In this connection Nathan I. Bijur and W. L. Crouse, gentlemen who have no standing financially, endeavored to show that class A cigars manufactured in the first district of Pennsylvania were made of scrap tobacco. Bijur says in 1921, 2,083,514 pounds of scrap tobacco were used in the first district but does not tell the committee that in the same year 17,925,488 pounds of unstemmed filler tobacco were used and 9,157,671 pounds of stemmed filler were used or 92 per cent of all the filler was regular filler tobacco and only 8 per cent of scrap.

In 1922, 6 per cent of scrap was used and 94 per cent of regular filler.

In 1923, 7 per cent of scrap was used and 93 per cent of regular filler.

In 1924, 11 per cent of scrap was used and 89 per cent of regular filler.

In 1925, 14 per cent of scrap was used and 86 per cent of regular filler.

In 1926 and 1927 the same quantities of scrap and regular filler were used.

Now let us compare these quantities with the quantities of scrap tobacco used by other parties in the manufacture of grade A or 5-cent cigars. My friends, I am not going to give you the place where these people are located. I am not going to damage anybody's industry, but in other districts in which anything like a comparable quantity of 5-cent cigars are made. In 1924, there was used 19 per cent and 45 per cent of scrap in class A cigars.

In 1925, 19 per cent and 39 per cent.

In 1926, 20 per cent and 43 per cent.

In 1927, 28 per cent and 55 per cent.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. CRISP. Mr. Chairman, acting for the gentleman from Texas [Mr. GARNER], I yield the gentleman 10 additional minutes.

Mr. MENGES. As I have said, I do not want to damage anybody's industry, but when men who are irresponsible financially make these statements to damage an industry I represent I want to appear before this House and tell the exact facts in regard to the case, so that people may know who we are.

Now, there is another thing about some of these fellows to which I would like to ask your attention. Here is an indictment I got from the United States District Court of the Southern District of New York October 8, 1918. It is for conspiracy to knowingly monopolize foreign and domestic trade and control interstate trade and commerce, act of July 2, 1890. Who do we find here? Nathan I. Bijur. What else about it? Nathan Bijur was fined \$5,000 for conspiracy, as above referred to. That is the kind of fellows who are trying to run down our industry. I am here to defend that industry; I am not going to stand for such slander. [Applause.] I hope the committee will change its mind and put this tariff on as we want it and everything will be all right. [Laughter.]

Let me give you another reason why these people ask for this increase in tariff. I will read you their own statement:

The cigar-manufacturing industry in York County is typifying in the most perfect sense the American tradition and history of self-made men. One and all our manufacturers rose from the ranks of the laboring class, especially cigar makers. Humble was their beginning. Their investments in their own business to-day represent their savings which were made possible through their own hard work and their spirit of thrift, persistence, and economy.

Entire communities in York County depend upon cigar manufacturing for their existence. This industry has become an indispensable, component part of their very life. After all, it is the realization of the importance of the industry by our manufacturers, their civic pride, which have kept the modern cigar-making machinery out of York County. These machines, if installed and operated, would throw thousands of people out of employment, with no other job in sight, and thus deprive hundreds of families of their support and livelihood. Hence the York County cigar industry continues on to make cigars by human labor in order to keep its beautiful towns intact and its people happy and contented.

That is the reason they give for asking an increase in tariff on imported wrapper tobacco. You say, Will not machinery come in by and by and displace hand-made cigars? I say, no; not in our district. It has been tried, as the testimony of Bijur and others shows. These people have demonstrated that hand labor can compete with machine labor in this industry. They have used every influence that could be exerted, but they have not gotten anywhere.



The reason is that the people own their homes; they live there; they have little cigar factories which they conduct, besides some other business. Every man is a man of family of the small towns, and they own their homes. It is an American home, out of which will come American citizens who will maintain this country by and by.

Mr. YON. Will the gentleman yield?

Mr. MENGES. I will yield to the gentleman.

Mr. YON. Is it a fact that the Florida and Georgia wrapper is used mainly in two-for-a-nickel cigars?

Mr. MENGES. It is absolutely not the fact.

Mr. YON. I have been so informed.

Mr. MENGES. We do not manufacture any lower-priced cigar than 5 cents.

Mr. CRISP. Will the gentleman yield?

Mr. MENGES. I will.

Mr. CRISP. Did not Mr. Brooks, from your home State, state that he represented industries that manufactured 600,000,000 5-cent cigars, and that 75 to 80 per cent were wrapped in Georgia and Florida wrappers and he never had any complaint as to quality?

Mr. MENGES. In reply I want to say that Mr. Brooks sent out 70 samples of cigars through the district to which he sells and he asked the smokers to tell him which cigar was wrapped with Sumatra wrappers and that which was wrapped with Georgia, Alabama, and Connecticut wrappers, and only two of the men happened to hit it.

Mr. YON. What I asked the question for was to bring out to the membership of the House for the RECORD the facts by the Representative from that district that makes millions of cigars with the Georgia and Florida wrappers that they do not make two-for-a-nickel cigars at all.

Mr. MENGES. They do not, decidedly. There is another reason given why the duty should not be raised. These people who are opposed to the raising of this duty say that the tobacco raised in Georgia and Florida is infected with a fungous disease known as black shank.

What is black shank? It is a fungous parasitic infection of the plant. It causes a wilting followed by marked signs of decay at the base of the stalk which may extend up as high as 24 inches. It is closely related to the fungus which causes the common late-potato blight.

It can be controlled by raising the plant in sanitary seed beds. All the tobacco growers raise their plants in disinfected seed beds. All of them do this no matter where they raise their plants, in Lancaster or York County, or any other place. It can be mitigated by raising the plant in sanitary seed beds. All tobacco plants are raised in separate beds, and transplanted, and when so transplanted they are free from infection, and little damage results from this disease. But what is more to the point, a seed has been developed which is immune to infection by black shank, and which produces equally as good a wrapper tobacco as will the plant which becomes infected.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. HADLEY. Mr. Chairman, I yield one more minute to the gentleman from Pennsylvania.

Mr. MENGES. In order that we might have the facts in the case, I am going to incorporate in the RECORD letters and telegrams. There have been received a number of telegrams, particularly one from Mr. Brooks, of Red Lion, Pa., who represented the York County Cigar Makers Association, that he has used this tobacco for wrappers, which has been produced from the immune seed, and that it answers the purpose as well as any other. I thank you. [Applause.]

QUINCY, FLA., May 13, 1929.

Hon. GLENN B. SKIPPER,

Chairman Florida Republican State Committee,

Washington, D. C.

DEAR SIR: We note with much amusement that the imported wrapper importers and users of such tobacco claim that what we need instead of the higher tariff, referring mostly to the growers of domestic wrapper in Florida and Georgia, is the help of the Agricultural Department to help us in stamping out the disease of black shank, which is so prevalent in our section, and that consequently we will never be able to grow a good quality of wrapper and not enough to supply the market for class A cigars.

Please be advised that we have been working on an immune seed for several years at quite an expense and are glad to report that we have succeeded far enough to be justified in saying we have perfected seed of an immune type that will give you a good yield, fine quality, and color, so that we can distribute another season enough of such seed to the farmers here in general whereby they can grow successfully as many wrappers as the trade can consume, and we have enough suitable lands bare to grow all the acreage required for that purpose.

Having the interest of the growers fully at heart, we did not encourage the growing of any kind of wrappers until such experiments have been proven fully that the right kind of seed can be had and mainly the quality.

This same disease has been prevalent in Sumatra and Java, and they also had to continue changing lands and seeds until they have nearly overcome this trouble, and we see no reason why our tobacco from now on should not be as good if not finer, and we know that we can grow all the fine domestic wrappers that the market will need.

Yours very truly,

AMERICAN SUMATRA TOBACCO CORPORATION,

By J. W. WOODWARD,

General Manager of Southern District.

I hereby certify that the above is a true and correct statement.

[SEAL.]

L. D. McMILLAN,

Notary Public, State of Florida at Large.

My commission expires July 25, 1932.

UNITED STATES DEPARTMENT OF AGRICULTURE,

BUREAU OF PLANT INDUSTRY,

OFFICE OF CHIEF OF BUREAU,

Washington, D. C., May 21, 1929.

Hon. FRANKLIN W. FORT,

House of Representatives.

DEAR MR. FORT: Referring to your conversation this morning concerning my letter of April 17 to Representative HARRY A. ESTEP in regard to the black shank disease of tobacco as it affects the Florida-Georgia shade tobacco industry, which was quoted by Mr. ESTEP in his speech before the House on May 17, I may say that the information on this subject contained in my letter was based primarily on reports issued by Dr. W. B. Tisdale and associates of the Florida Agricultural Experiment Station, more particularly Technical Bulletin 179 of the station, which was published in 1926. Complete eradication of this disease is hardly to be expected since this has rarely if ever been accomplished with any introduced plant disease after it has become firmly established. The information supplied in the telegram of May 20 to you from Messrs. Tisdale and Reeves, of the Florida station, however, indicates that substantial and very encouraging progress has been made in effectively controlling black shank by means of highly resistant strains of wrapper tobacco of satisfactory quality which they have developed.

Very truly yours,

WM. A. TAYLOR, Chief of Bureau.

NEW YORK, N. Y., May 20, 1929.

Hon. FRANKLIN W. FORT,

Member of Congress:

We have experimented very thoroughly and at great expense and have perfected a seed which will produce very fine quality and desirable tobaccos for wrapper purposes in the States of Georgia and Florida.

LOUIS LEOPOLD.

WASHINGTON, D. C., May 20, 1929.

Hon. FRANKLIN W. FORT, M. C.,

House Office Building, Washington, D. C.:

Confirming my statement to you to-day, we have used Florida wrapper grown from resistant seed and find the tobacco perfectly satisfactory as to quality, appearance, burn, etc.

JNO. SWISHER & SON (INC.),

H. B. COULTOR, Secretary.

QUINCY, FLA., May 20, 1929.

Hon. FRANKLIN W. FORT,

Member of Congress:

We have developed several strains of highly resistant wrapper-type tobacco in regard to black shank, some of which shows resistance of over 90 per cent and producing very satisfactory strain.

W. B. TISDALE, Ph. D.,

Plant Pathologist in Charge of Tobacco Investigation.

JESSE REEVES,

In Charge of Tobacco Experiment Station.

RED LION, PA., May 20, 1929.

FRANKLIN FORT,

House of Representatives:

As a large user of Florida wrappers we have used this type of tobacco extensively and find it entirely satisfactory. We are very much interested in seeing the duty on domestic wrappers increased.

T. E. BROOKS & CO.

NEWARK, N. J., May 20, 1929.

Hon. FRANKLIN W. FORT,

House of Representatives:

We are extensive users of Florida, Georgia, and Connecticut wrappers. An increase in tariff would be beneficial to our farmers, who barely make both ends meet. Thanks.

LEWIS CIGAR MANUFACTURING CO.



QUINCY, FLA., May 20, 1929.

Hon. GLENN B. SKIPPER,

National Committeeman from Florida,

New Willard Hotel, Washington, D. C.:

Wish to express to you the great importance in increased duty on cigar-wrapper tobacco to save the industry in this country. Will mean much to us.

ROY M. PRICE, Committeeman.

Mr. HADLEY. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan, Mr. WOODRUFF.

Mr. WOODRUFF. Mr. Chairman, during this debate on the sugar schedule of the tariff bill, the States of Colorado and Michigan have received much unenviable publicity. It has been charged, or at least inferred by the opponents of the proposed raise in the tariff on sugar, that conditions on the farms in the sugar-beet sections of these States, as regards the employment of women and children in the raising of this crop, are different than they are elsewhere in the country, and that child labor is being shamefully exploited to an extent not known in other sections. These charges are apparently substantiated in a pamphlet published by the Children's Bureau of the United States Department of Labor in 1923, so it is well to examine other publications of this bureau and also reports of the Bureau of the Census for 1920, with a view of seeking further information on this subject. Much of the criticism alleging that these conditions exist in the beet fields of Michigan has come from Members from the States of Wisconsin and New York.

In view of these charges it is well to examine the most recent census reports and discover for ourselves in what way conditions on the farms of Michigan, Colorado, and other sugar-beet producing States differ from the conditions existing on the farms of all the other States in the Union, but particularly the States of Wisconsin and New York, from which this criticism has come. One would believe after listening to the speeches of my friend the gentleman from Wisconsin, Mr. FREAR, and my friend the gentleman from New York, Mr. LA GUARDIA, that their States are free from the exploitation of child labor. An examination of the 1920 census reports presents some rather amazing facts. I have been surprised to note that in the great progressive State of Wisconsin conditions surrounding the employment of children on the farm and in industry are on a much lower standard apparently than they are in other sections of the country, with the exception of the Southern States and two States in the New England group. A careful study of these reports will show that it is the sugar-beet producing States of this Nation that employ less child labor than do either the agricultural States of the South or the industrial States of the East. This study will also disclose that a larger percentage of children between the ages of 10 and 18 years, as compared to all the people gainfully employed, are employed in the State of Wisconsin than in any one of the other sugar-beet producing States.

I am putting into the RECORD at this point a table showing the social and educational aspects of child labor in the States as applied to children between 10 and 18 years of age.

Social and educational aspects of child labor

States	Per cent number of persons gainfully occupied 10 to 18 years of age is of total number of persons gainfully occupied 10 years of age and over	Per cent gainfully employed 10 to 18 years of age is of total population of same age	Average number of days attended by each pupil 5 to 18 years of age, 1920	Average length of school term	Per cent of school population 5 to 18 years in daily attendance	Per capita expenditure per pupil attending school	Percentage illiterate among persons 10 years of age and over	Juvenile offenders 10 to 18 years of age committed in 1923; ratio per 100,000 population of same age	Rural population as percentage of total population	Negroes as percentage of total population
Alabama	14.8	29.7	58.8	123.1	47.8	\$24.81	16.1	51.4	78.3	38.4
Arizona	4.6	12.3	86.8	162.6	53.4	136.56	15.3	71.4	64.8	2.4
Arkansas	12.3	23.3	73.0	126.3	57.8	23.63	9.4	49.5	83.4	27.0
California	2.9	10.8	123.2	174.0	70.8	101.86	3.3	79.2	32.0	1.1
Colorado	4.1	11.0	108.7	167.9	64.7	87.95	3.2	142.0	51.8	1.2
Connecticut	6.6	20.8	115.7	183.5	63.0	79.52	6.2	100.8	32.2	1.5
Delaware	5.5	15.9	94.6	181.7	52.1	61.26	5.9	130.6	45.8	13.6
District of Columbia	3.4	16.9	121.1	178.0	68.0	81.50	2.8	421.7	0.0	25.1
Florida	6.6	15.8	80.9	133.1	60.8	42.42	9.6	133.3	63.3	34.0
Georgia	13.1	26.9	72.6	145.0	50.0	19.43	15.3	102.7	74.9	41.7
Idaho	3.6	7.8	120.3	172.7	69.6	101.51	1.5	112.4	72.4	2.2
Illinois	5.6	16.0	104.4	170.9	61.1	72.54	3.4	78.4	32.1	2.8
Indiana	5.4	14.2	99.9	155.8	64.1	78.24	2.2	67.6	49.4	2.8
Iowa	4.1	9.9	118.0	174.0	67.8	92.06	1.1	43.6	63.6	8.8
Kansas	4.2	9.4	109.6	164.0	66.8	84.84	1.6	64.8	65.1	3.3
Kentucky	7.3	15.1	60.0	123.0	48.8	23.68	8.4	70.4	73.8	9.8

Jan. 1 to June 30.

Social and educational aspects of child labor—Continued

States	Per cent number of persons gainfully occupied 10 to 18 years of age is of total number of persons gainfully occupied 10 years of age and over	Per cent gainfully employed 10 to 18 years of age is of total population of same age	Average number of days attended by each pupil 5 to 18 years of age, 1920	Average length of school term	Per cent of school population 5 to 18 years in daily attendance	Per capita expenditure per pupil attending school	Percentage illiterate among persons 10 years of age and over	Juvenile offenders 10 to 18 years of age committed in 1923; ratio per 100,000 population of same age	Rural population as percentage of total population	Negroes as percentage of total population
Louisiana	9.5	19.3	68.4	148.9	45.9	44.38	21.9	68.5	65.1	38.9
Maine	4.1	11.8	108.7	169.2	64.2	55.26	3.3	61.6	61.0	2.2
Maryland	6.8	19.0	87.1	179.6	48.5	47.01	5.6	155.8	40.0	16.9
Massachusetts	6.0	20.3	106.6	179.4	59.4	78.68	4.7	106.2	5.2	1.2
Michigan	4.6	13.5	102.8	172.0	59.8	91.48	3.0	85.0	38.9	1.6
Minnesota	4.4	10.8	102.6	160.0	64.1	90.50	1.8	90.7	55.9	4.4
Mississippi	14.9	30.2	53.7	122.0	44.0	21.06	17.2	17.2	86.6	52.2
Missouri	5.5	14.0	100.6	162.8	61.8	54.04	3.0	49.0	53.4	5.2
Montana	2.7	7.5	111.2	166.4	66.8	133.06	2.3	53.1	68.7	3.3
Nebraska	4.3	9.6	110.7	164.0	67.5	88.51	1.4	54.9	68.7	1.0
Nevada	1.8	7.9	115.1	167.0	68.9	130.24	5.9	23.1	80.3	4.4
New Hampshire	4.7	15.0	92.9	174.0	53.4	71.57	4.4	61.7	36.9	1.4
New Jersey	6.9	20.4	117.2	189.0	62.0	85.90	5.1	91.7	21.6	3.7
New Mexico	4.8	9.5	90.8	165.0	55.0	69.64	15.6	68.1	82.0	1.6
New York	5.5	17.9	108.4	168.0	57.6	77.88	5.1	116.6	17.3	1.9
North Carolina	12.4	23.0	75.6	134.0	56.5	25.65	13.1	36.8	80.8	29.8
North Dakota	4.3	7.9	107.8	166.9	64.6	100.31	2.1	21.2	86.4	1.1
Ohio	4.2	12.4	100.2	165.0	60.7	83.38	2.8	126.0	36.2	3.2
Oklahoma	6.9	12.6	93.1	166.4	55.9	64.34	3.8	76.4	73.4	7.4
Oregon	3.1	9.5	115.6	152.0	76.0	73.20	1.5	72.3	50.1	3.3
Pennsylvania	6.6	17.3	99.4	176.8	66.2	58.04	4.6	63.6	35.7	3.3
Rhode Island	8.6	28.1	93.4	182.1	51.3	64.94	6.5	306.8	2.5	1.7
South Carolina	15.2	30.7	63.7	109.6	38.2	19.99	18.1	53.0	82.5	51.4
South Dakota	4.1	8.7	93.2	167.0	55.8	117.21	1.7	25.3	84.0	1.1
Tennessee	9.3	18.4	86.3	135.6	64.6	22.17	10.3	28.2	73.9	19.3
Texas	8.8	18.0	82.2	155.6	52.8	45.07	8.3	38.5	67.6	15.9
Utah	4.7	9.1	120.8	166.4	72.6	84.30	1.9	2.6	52.0	3.3
Vermont	4.4	12.1	96.6	162.0	59.6	71.49	3.0	102.4	68.8	2.2
Virginia	7.5	15.4	74.9	147.0	50.9	36.94	11.2	57.4	70.8	29.9
Washington	3.2	10.3	120.5	176.4	68.3	97.50	1.7	107.7	44.8	5.5
West Virginia	5.6	11.0	82.1	138.9	59.1	44.46	6.4	86.2	74.8	5.9
Wisconsin	5.7	13.9	94.7	175.3	54.0	73.92	2.4	36.3	52.7	2.2
Wyoming	2.9	9.0	107.5	152.6	70.7	112.37	2.1	49.7	70.5	7.7

Jan. 1 to June 30.

I direct the attention of the committee to some of the information contained in this table. In the first column which gives the per cent of the number of persons gainfully occupied between the ages of 10 and 18 as compared to all persons gainfully employed of 10 years of age and over, it shows that in the State of California, a large sugar-beet producing State, there were 2.9 per cent of children employed in every capacity in that State. In Colorado there were 4.1 per cent; in Idaho 3.6 per cent; in Indiana 5.4 per cent; in Michigan 4.6 per cent; in Minnesota 4.4 per cent; in Nebraska 4.3 per cent; in North Dakota 4.3 per cent; in Ohio 4.2 per cent; in Utah 4.7 per cent; in Wisconsin, that great progressive State which our friend Mr. FREAR has no doubt believed leads all the States in its care of its children, the percentage is 5.7; while the great State of New York, represented in part by my friend and very able colleague, Mr. LA GUARDIA, shows that of all the people gainfully employed in that State, 5.5 per cent were between the ages of 10 and 18 years.

In the per cent of children 10 to 18 years of age gainfully employed as compared to the total population of the same age, some very interesting information is also shown. The reports from California shows that 10.8 per cent of all the children between the ages of 10 and 18 years are gainfully employed; Colorado, 11 per cent; Idaho, 7.8 per cent; Indiana, 14.2 per cent; Michigan, 13.5 per cent; Minnesota, 10.8 per cent; Nebraska, 9.6 per cent; North Dakota, 7.9 per cent; Ohio, 12.4 per cent; Utah, 9.1 per cent; Wisconsin, 13.9 per cent; and the State of New York, 17.9 per cent. Much the same result will be shown in a study of the columns showing the average number of days of school attendance by each pupil 5 to 18 years of age, the average length of school term, per cent of school population 5 to 18 years of age in daily attendance, and the per capita expenditure per pupil attending school. In the States I have enumerated it is shown that amongst them all, Wisconsin spends less per pupil for the education of her children than does any one of the other States I have named. It is interesting to note also that the next lowest expenditure of any of these States is by the State of New York.

Another very interesting comparison is shown in the report of the Bureau of the Census on the comparison of the total number of children between the ages of 10 and 16 years gainfully occupied to the children of that age in each State. A



most interesting situation is shown. For instance, in the State of Washington only 3.4 per cent of all the children between the ages of 10 and 16 are gainfully employed; in Oregon 3 per cent; in California 3 per cent; in Nevada 2.5 per cent; in Idaho 2.9 per cent; in Utah 3.9 per cent; in New Mexico 4.6 per cent; in Colorado 4.3 per cent; in Wyoming 3 per cent; in Montana 2.3 per cent; in North Dakota 3.2 per cent; in South Dakota 3.3 per cent; in Nebraska 3.4 per cent; in Kansas 3.4 per cent; in Iowa 3.4 per cent; in Minnesota 3 per cent; in Ohio 3 per cent; in West Virginia 3.9 per cent; in Maine 3.1 per cent; in Vermont 3.3 per cent; in New Hampshire 3.3 per cent; in Michigan 3.4 per cent; in Wisconsin 5.1 per cent; and in New York 4.7 per cent.

Mr. LAGUARDIA. Oh, that is up-State.

Mr. WOODRUFF. That is the return from the entire State of New York.

Mr. LAGUARDIA. Exactly; but the conditions are different in the city of New York from what they are up-State. You can not compare the two.

Mr. WOODRUFF. I am accepting the reports of the Bureau of the Census, and the figures are for the State of New York, including the city of Greater New York.

Mr. LAGUARDIA. Permit me to say to the gentleman that we spend more for education in New York City than the entire budget of the gentleman's State.

Mr. WOODRUFF. Perhaps that is true, and I am not questioning that statement; but I do say that in all the State of New York the figures are as I have given them.

Mr. LAGUARDIA. The entire State.

Mr. WOODRUFF. That is exactly what I am speaking of, and it seems to me that the entire State of New York is being operated under the laws of the State of New York.

Mr. LAGUARDIA. But we have a separate educational budget in New York City.

Mr. WOODRUFF. Oh, every city has its own laws and ordinances to supplement the State laws.

Mr. LAGUARDIA. We have a budget of over \$105,000,000 for educational purposes in New York City.

Mr. WOODRUFF. I understand that, and I am not criticizing particularly the city of New York. Whatever criticism is contained in my remarks is directed at the State of New York.

Mr. LAGUARDIA. Let the Record clearly show that.

Mr. WOODRUFF. I wanted to show that. I have some information relative to the city of New York, however, which I will give the gentleman in a moment, which he will not explain away so easily.

Still another interesting thing in connection with the employment of child labor in the various States is shown in a report prepared by the Children's Bureau of the Department of Labor, giving statistics in 35 of the industrial cities of the Union, showing the number of children between the ages of 14 and 16 years receiving regular employment certificates for the first time. I am not going to attempt a comparison between all the various cities included in this study, but for the information of the Members will print at this point the full report.

*Number of children between 14 and 16 years of age receiving regular employment certificates for the first time, 1921, 1922, and 1923, by State and city<sup>1</sup>*

State and city	1921	1922	1923
Alabama:			
Birmingham.....	166	139	240
Huntsville.....	252	189	208
Mobile.....	166	78	128
Montgomery.....	79	90	93
California: San Francisco.....	310	295	381
Connecticut:			
Bridgeport.....	871	806	1,032
New Haven.....	572	856	1,235
Waterbury.....	111	308	736
Delaware: Wilmington.....	171	423	(?)
District of Columbia.....	959	693	(?)
Indiana: Indianapolis.....	672	607	727
Kentucky: Louisville.....	186	351	795
Louisiana: New Orleans.....	2,091	2,031	2,445
Maryland: Baltimore.....	2,503	3,199	(?)
Massachusetts:			
Boston.....	2,473	2,375	2,810
Fall River.....	904	1,574	1,176
Lowell.....	297	712	(?)
New Bedford.....	841	1,322	2,111
Somerville.....	362	313	366
Springfield.....	194	581	698
Worcester.....	349	904	(?)
Michigan: Detroit.....	264	288	277

<sup>1</sup> Compiled, except where otherwise noted, from figures furnished by certifying officers, school officials, etc., in correspondence with the U. S. Children's Bureau.

<sup>2</sup> Figures not available.

<sup>3</sup> Reports of the factories inspection department of the Parish of Orleans for the year ending Dec. 31, 1921, p. 5, 1922, p. 1.

<sup>4</sup> Annual report of the school committee of the city of New Bedford for the year 1922, p. 18.

<sup>5</sup> Annual report of the school committee of the city of Somerville for the year ending Dec. 31, 1921, p. 84.

*Number of children between 14 and 16 years of age receiving regular employment certificates for the first time, 1921, 1922, and 1923, by State and city—Continued*

State and City	1921	1922	1923
Minnesota:			
Minneapolis.....	407	339	301
St. Paul.....	217	218	207
Missouri: St. Louis.....	3,865	4,468	(?)
New Hampshire: Manchester.....	251	159	346
New Jersey:			
Jersey City.....	1,136	1,570	1,977
Newark.....	1,633	2,404	2,509
Trenton.....	508	791	974
New York:			
New York City.....	38,888	32,492	(?)
Yonkers.....	418	401	814
Pennsylvania:			
Philadelphia.....	6,618	9,124	10,937
Pittsburgh.....	1,227	1,659	2,778
Rhode Island: Providence.....	1,567	2,093	2,463
Wisconsin: Milwaukee.....	2,359	2,556	3,780

<sup>1</sup> Figures not available.

<sup>2</sup> Annual reports of the agent of the school committee 1921 and 1922.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. WOODRUFF. Yes; briefly.

Mr. HARDY. The gentleman might explain that all of this labor which they are hollering about so much must be done within three weeks' time in the spring when they thin the beets, and four weeks' time in the fall when they top the beets, so that if there is any child or women labor it is not much in the fields, only three weeks in the spring and four in the fall. It is not like working in a factory, where they work 8 or 10 hours a day, 300 days in a year.

Mr. WOODRUFF. Of course it is not, and one ought to remember also that if a boy or girl is working in the beet fields they are out in God's sunshine, and are not working under such conditions as exist in the cities.

Mr. SIMMONS. Mr. Chairman, will the gentleman yield?

Mr. WOODRUFF. Yes.

Mr. SIMMONS. Carrying out the idea of the gentleman from Colorado [Mr. HARDY], the balance of the field labor is done by adults exclusively, and of course the production in the factories is done by American labor under American conditions of labor.

Mr. WOODRUFF. Exactly.

Mr. LEATHERWOOD. And is it not a fact that the people who are so industriously distributing the literature decrying child labor in the beet-growing States are mostly themselves engaged in the sugar industry in Cuba, employing women and children under conditions worse than slavery?

Mr. WOODRUFF. Yes; and I say to my friend from Utah that before I have finished I propose to show exactly what those conditions are.

Mr. LEATHERWOOD. Living on food that the chickens of the homes of America would hardly eat.

Mr. WOODRUFF. Yes; living under conditions which have never at any time been tolerated in any part of the United States. Now I want to speak of the metropolises of the States of Wisconsin, New York, and Michigan, and to show conditions existing there. In the year 1921, in the city of Detroit, which in 1920 had a population of 993,678, there were 264 children between the ages of 14 and 16 who received regular employment certificates for the first time. In 1922 there were 288 and in 1923 there were 277, or a total of 829 in three years. In the city of Milwaukee, with a population of 451,147 in 1921, there were issued 2,359 regular employment certificates to children between the ages of 14 and 16; in 1922 there were 2,556 such employment certificates issued, and in 1923 there were 3,780 such certificates issued to these children, or a total of 8,695. We discover from this that in the city of Milwaukee, with less than one-half the population of the city of Detroit, there were issued, under the laws of the State of Wisconsin, more than ten times as many certificates to children of tender age to engage in all regular employment as were issued under the Michigan law in Detroit.

That was a significant thing. That was an amazing thing to me when I first discovered it. I am one of the men of this House who for many years have sympathized with and have approved of many of the progressive policies of the late Robert M. La Follette. I have looked upon him as one of the great progressive leaders in this country, under whose leadership much splendid welfare legislation has been placed on the statute books of his State and Nation, and, in my opinion, the State of Wisconsin pointed the way to many other States in the enactment of this sort of legislation, and it was a subject of amazement to me to find that many of the States had surpassed that State in regard to the child welfare.

In comparing the situation existing in the metropolis of the State of Michigan and the situation existing in the metropolis of



the State of New York and in the city in which my friend, Mr. LAGUARDIA, lives, it is found that the report gives information as regards the latter city only for the years 1921 and 1922. In 1921 there were regular employment certificates issued for the first time to 38,888 children between the ages of 14 and 16 years, and in 1922 there were 32,492 such certificates issued, or a total of 71,380. During the same two years a total of 552 such certificates were issued in Detroit. The city of New York, while five and one-half times as large as the city of Detroit, issued during this period 120 times as many certificates of employment to these children as were issued by the city of Detroit.

Mr. LAGUARDIA. Mr. Chairman, will the gentleman yield there?

Mr. WOODRUFF. Yes.

Mr. LAGUARDIA. Does not the gentleman know that no child in New York below the age of 14 or 16 can do anything except when he has a certificate?

Mr. WOODRUFF. Yes; and I am happy to say that in the city of Detroit the same conditions apply.

I present these facts and make this mild comment entirely without venom such as has characterized the description of so-called child labor in the beet fields on the floor of this House. My purpose is not to insult the people of any State. I am confident State and local authorities everywhere are doing everything in their power to enforce laws governing children in city and rural labor. But I do wish to point out that the problem of children at work is not local to the beet fields. That if tariff legislation is to be fixed upon conditions existing as to the employment of child labor, it is clear that the industries in the cities will suffer a reduction of tariff right along with that of the proposed reduction of tariff on sugar.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOODRUFF. Mr. Chairman, I do not often presume upon the patience of the House, and as I believe I can conclude my remarks in 10 additional minutes I ask that the gentleman yield me this time.

Mr. HADLEY. I yield the gentleman from Michigan 10 additional minutes.

Mr. WOODRUFF. It seems to me, Mr. Chairman, that it is pertinent to this discussion to call attention to conditions which have always existed on the farm. My boyhood was spent on the farm and in a small town, where I had an opportunity to observe conditions. And I remember that all down the years at times it was necessary for every member of the farmers' families to take to the fields in order to save the crop that was ready to be harvested. The community in which I spent my boyhood was one composed exclusively of American-born citizens. There were no aliens there; there were no people there, so far as I remember, who had not been born and raised in the United States. And yet the women and the children were often impressed into the service of harvesting crops in order to get them under cover as quickly as possible. The right of a farmer to preserve his property, the right of a farmer to harvest his crops, to save those crops, has never been challenged by any legislature of any State of the Union. Look where you will, in the statute books of Wisconsin, the statute books of New York, or of any other State, and you will find nothing aside from the school laws themselves which directly or indirectly prohibit children from doing the necessary work on the farms. I do not contend by this that children ought to be so employed. I only maintain, as I have stated before, that the right of a farmer to preserve his property is inviolable. If saving the farmer's property means that the wife and children old enough to do the work are compelled to go into the fields and help to harvest the crops, that necessarily is their right.

Notwithstanding all the criticism we have heard regarding the use of child labor in beet fields, statistics which one may gather from the 1920 census reports show that so-called child labor is used as much in the production of other agricultural crops as in the production of sugar beets. I hold in my hand a publication of the United States Department of Labor, Bureau Publication No. 187, printed in 1929, this year. It is a publication devoted entirely to children in agriculture. I find here a picture of a boy 7 years old picking cotton, a little colored boy. I do not know anything about the picking of cotton. Certainly I do not approve of children of that age being employed in any labor whatsoever anywhere, under any conditions, regardless as to whether crops are lost or not. Farther over I find pictures of children working in tobacco fields, and here I find a boy working in a beet field. This boy is evidently more than 10 years of age, and I want you to notice this picture, friends. Those of you who sit close enough to see the picture will recognize the fact that if this boy is regularly employed in the thinning of beets, as it is indicated he was, he must have come directly from Sunday school, because apparently he has on his Sunday clothes,

and any Member of this House who knows anything about labor on farms knows very well that children are not sent out to the fields to work clothed as this boy is clothed. Usually they do not wear their father's best hat, such as this boy apparently has on. It is my opinion that this boy we see in this picture is a boy who rode out with his father to take this picture, and the father, not finding any children at work in the fields, put his hat on this youngster's head and told him to get down on his hands and knees and appear to be thinning beets while the picture was taken.

Farther over we find pictures of children working in the State of Illinois harrowing, cultivating, reaping, binding, and shocking grain. On the next page, we find children employed on the truck farms at Norfolk, Va., picking peas, picking cucumbers, spooning spinach, carrying hampers of potatoes, and so forth. Still farther over in the State of Washington and in the State of Oregon we find pictures of children picking raspberries and hops. On the next page, children are shown picking eggplant in Maryland, picking up onions, and cutting asparagus. Again in the State of Illinois we find pictures of children weeding onions, twisting dry onions, pulling and hauling carrots. All of this goes to show that conditions in the country on the farms are such that at times it appears necessary to employ children in the growing and harvesting of all agricultural crops.

In this connection it seems pertinent to quote a paragraph from Publication No. 187 of the Children's Bureau of the United States Department of Labor entitled "Children in Agriculture":

Children who do a reasonable amount of farm work, suited to their years and under the supervision of their parents, are fortunate. Such work inculcates habits of industry and develops family solidarity, both desirable objectives in any system of child training.

In the State of Michigan, in the district which I represent, we have a great potato-growing area. In that section each year the schools are opened three weeks earlier than they are in non-potato-growing sections. The purpose of this is to make it possible to close these schools for a similar period during the potato-harvesting time in order that the farmers of the community may harvest their potatoes. Now, there may be some objection to that on the part of people who dislike to see children so employed, but I want you to understand that in that section of the State children of 10 years and under are not employed in such work. It is only the children of proper age and who are well able to do this work who are so employed.

Certainly the farms have given to the country many great men. The farm to-day is giving to the country in every line of industry and business the great men of each line. Each and every one of these men, who have come from the farm and have climbed to the top, have been men who as children worked harder on the farm than do the children of the farms to-day. I wish that conditions in the country could be such that child labor of any kind was unnecessary. I wish the farmers of the country were receiving for their products prices sufficient to enable them to employ adult labor for everything done on the farm, but I say to the gentleman from New York [Mr. LAGUARDIA] that if these conditions were brought about, he and the consumers he represents would not be paying the low prices they are paying to-day for the things the farmer produces.

There can be no question but that there have been instances when undesirable conditions have surrounded the employment of women and children on the farms of the country in spite of everything State and county authorities could do to prevent, but in this connection I might point out that a children's bureau study in three New England cities showed 5,000 children under 16, or 7.6 per cent of the entire child population, engaged in industrial home work. Some were less than 6 years of age; 795 were under 10. Lighting was so poor and the work so exacting that 117 of the children reported that they suffered from eyestrain. Eighty-four per cent of the group worked after school hours and at night, often until 10 p. m. or later. Comparatively, the effects of such work on the physique of the children were certainly worse than opponents of the sugar tariff have ascribed to beet work, because the beet or other worker on the farm, as I have said before, is at least out in God's sunshine where he can have all the fresh air he needs. Is it being proposed here that the tariff be reduced on New England protected manufactures because of such conditions? I have nowhere heard of such a proposal.

The opposition displayed to this proposed raise in the tariff on sugar is very largely based upon the fact that living and working conditions in the sugar-beet fields are not what they should be. Of course, every Member of this House, every person outside of this House who is to-day opposing this increase knows that if the increase is not granted it amounts to the death of the sugar-beet industry in this country. They know further that if this increase is not granted it means the per-



petuation of living and working conditions that now exist on the island of Cuba. And in this connection I propose to incorporate as a part of my remarks certain correspondence between His British Majesty's Government and the Cuban Government respecting the ill treatment of British West Indian laborers in Cuba in 1924. This is official correspondence. I also propose to incorporate as a part of my remarks a statement by William Jett Lauck, economist, following a special investigation of Cuban labor conditions, and also a report on the same conditions by Mr. D. R. Williams.

[Correspondence between His Majesty's Government (Great Britain) and the Cuban Government respecting the ill treatment of British West Indian laborers in Cuba, 1924. Official correspondence]

M. G. Haggard to the Cuban Secretary of State for Foreign Affairs, January 3, 1924 (p. 4):

"Consequent on a Cuban Government decree of the 24th of November, 1922, large numbers of colored immigrants were required to be detained in the quarantine station at Santiago. The awful conditions to which those persons were subjected on arrival were at once the subject of representations by this legation, and the Cuban Department of Health admitted to me in writing that the arrangements were inadequate.

"In fact, there were neither beds, sanitary accommodations, nor water. The immigrants slept, without distinction of sexes, on the cement floor. This situation, despite my complaints, continued without redress for months, if it does not still exist in its main features.

"In addition, these persons are the object of exploitation by the reason of the difficulty and sometimes the impossibility of their reclaiming from the quarantine authorities that portion due them as refund of the deposits collected from them on arrival.

"I am finally to refer to the inadequate protection of the colored West Indians contracted for work on the sugar estates. Perhaps the most significant example of this is the free use by estate owners of Cuban Government guards to drive their workmen off the plantations rather than pay them wages. For instance, 200 were so turned off the Candelaria estate in August, 1921.

"These men, who were thus rendered homeless and starving, have never been paid.

"All over Cuba they were provided by their employers with 'vouchers,' which, legal opinion showed, were worthless; and to this day there are many thousands of dollars owing by the estate to the laborers in wages which they have no hope of recovering.

"Such instances are, unhappily, typical of the conditions affecting West Indian laborers, with which this legation, in conjunction with your excellency's department, has been dealing during the past few years with the lack of result and the effect on our mutual relations which I know your excellency must deplore as much as my Government do" (p. 5).

Nothing comparable to this has ever happened in the beet-sugar industry of the United States. In 1921, when every beet-sugar company in the country suffered heavy losses; when practically every beet-sugar company was forced to mortgage its plants and sugars to survive the slump which followed Cuba's rapacity in forcing sugar prices to unheard-of levels in 1920, farmers were paid. And the farmers paid the beet workers they hired.

I am willing to concede that there may have been some improvement in Cuban labor conditions since the days of 1921 and 1924, when the above official testimony was given. In the attacks by Cuban representatives upon labor conditions in the beet fields at about the same dates the Cubans make no mention of the possibility that conditions may have improved since that time. I know that the wages and living conditions in the sugar-beet growing districts of the United States to-day are so far superior to those in Cuba as to furnish no ground for comparison.

[Statement of William Jett Lauck, economist, following special investigation of Cuban labor conditions]

#### BENEFICENT AMERICAN POLICIES DO NOT BENEFIT CUBAN PEOPLE

The American sugar industry in Cuba is divorced from any direct contact with the people. It is not interested directly in them or in their housing and living conditions, standards of living, schools, political conditions, etc. It is, as it were, a detached and indifferent industry.

This is one of the most significant phases of the sugar mills in Cuba, in the total of which the American control extends to 76 per cent.

Any tariff concessions by us will not help the great mass of people. It would be absorbed by the mills and the colonos and tend to increase the prosperity of those in whose hands the wealth of the country is now concentrated. Some part of additional prosperity would undoubtedly be paid in the form of higher wages, but this would be only a small proportion. The great bulk of additional prosperity would not help the Cuban people.

Over one-half of the sugar crop is produced in Camaguey and Oriente. In these Provinces are the large colonos and landholdings (prin-

cipally by Americans) and the cultivation and harvesting the crop by casual labor—Haitians and Jamaicans. These workers are brought over under contract and are housed like cattle. Their standards of living are of the lowest, and they are a social and economic evil to the people of the country.

These new laborers really are used to prevent the Cuban workers from raising their standards of living. As a scarcity of labor has developed since the expansion of the sugar industry, new classes of undesirable workers have been imported. All social and human considerations have been cast aside. Labor has been treated as a commodity and imported just as sugar bagging or machinery has been brought into the country.

To accomplish this, political pressure has been exerted to break down the sound immigration policy established during American occupation which prohibited the entrance of undesirable aliens. The law has been so amended as to permit the sugar mills, by a decree of the President, to import Haitians and Jamaicans whenever the claim is made that scarcity of labor is threatened. Great numbers were brought in during the Monocal administration, and the same policy is being followed by Zayas. In 1922 about 25,000 were brought over to the country by the sugar mills through labor agents.

The colonos, while opposed in principle to the importation of undesirable classes of labor, have practically agreed to the policy because of their own self-interest.

The Haitians and Jamaicans have displaced the Cubans in the cane fields. Only 10 per cent of the cutters in the eastern Provinces are Cubans. All field occupations are practically absorbed by the aliens except the driving of oxcarts to the mills.

Aside from the economic phase of the situation, this casual labor supply is a social and political menace. They bring crime and disease and do not amalgamate with the Cuban people. Any concessions to or expansion of the Cuban sugar industry will mean the further development of these unfavorable and distressing economic and social conditions.

The Haitians and Jamaicans are the most ignorant types, and unaccustomed to anything but the lowest standards of living in their own country. During the harvest season (December to May) they are brought over by the thousands. They are housed in barracks, sleeping in crude hammocks made of bags. There is a saying in Cuba that "the Haitian is an animal most nearly resembling man." Many women are brought with them that act as cooks and prostitutes.

There is also a considerable influx of Haitians and Jamaicans who enter of their own initiative. The immigration law requires that they possess \$30 each as a condition of entrance. Am informed, however, that by payment of \$2 to \$3 to the customs and quarantine officers this "provision" is waived.

Opponents of an increase in the sugar tariff have, for the most part, shown a strong sympathy for Cuba and the Cuban sugar industry. In their criticism of labor and living conditions in the beet fields of the United States these opponents have said nothing about working conditions in Cuba. Conditions in Cuba are disgraceful, far worse than on the American sugar-beet farms. No American farmer would tolerate Cuban labor and Cuban working or living conditions on his farm. The opponents of the sugar schedule evidently prefer these disgraceful Cuban conditions to the very superior conditions of the sugar-beet farmers. These opponents have had much to say about beet-field workers but evidently prefer to get their sugar from laborers infinitely worse off. The same advocates of a low tariff on sugar, which would destroy the domestic sugar industry of the United States, are in favor of a strongly restrictive immigration policy of the United States. But evidently they do not object to the entry of the product of cheap, low-grade foreign labor to compete with the output of American farms.

[Report by D. R. Williams, covering investigations of Cuban labor conditions made during February and March, 1924]

Haiti and Jamaica, both of which are within a few hours' sail of Cuban ports, are capable of furnishing a never-failing and abundant labor supply as necessity arises therefor. Notwithstanding the introduction of this ignorant and oftentimes diseased and criminal element is to be condemned, the influence of the mills and colonos, and the venality of the Government are such that their importation will likely continue just so long as desired by the interests to be served.

Save only in the matter of the sales block and the lash, the treatment of such labor differs little from that accorded blacks in slave days. They are housed in long barracks, sleep in crude hammocks made of bags, feed as best they can, and exist generally but little better than cattle. There is little or no provision for sanitation or "moral restraints."

Nature has favored the island in every conceivable way, while the protection and supervision of the United States (insuring as they do preservation of law and order) and its proximity to our markets with a reduced tariff schedule furnish it advantages enjoyed by no other or competing country in the world.

To place its industries on a parity with those of the United States, or even approximating them, without at the same time applying to



them the laws and governmental restrictions applicable within the United States, would be to foster a competition disastrous to our people.

Education of the masses, which measures the progress of a people, has retrograded rather than advanced. In 1919 the percentage of illiterates in Cuba was 52 per cent of the population.

What is true of education applies equally to sanitation. While there is a horde of officials and employees, no active improvement is accomplished. The poorer or laboring classes live in ignorance and squalor, particularly in the smaller towns and country districts. They are on a back eddy of world progress without means or facilities to escape or to alter their situation.

Public funds which should be devoted to public needs are openly and flagrantly grafted by the official class and their underlings, while private wealth is centered in the hands of a fortunate few, who have little or no regard for the interests of the unfortunate many.

American corporations, which now own or control most of the Cuban sugar mills, plan to enhance their profits through a reduction of the tariff on sugar. This added wealth, however, if accorded them, would be secured at the expense of a helpless people who profit in no manner thereby. Every advantage, so far as Cuba is concerned, would be reaped by politicians and their favorites and by that comparatively small class which controls the lands of the islands. To grant this concession would be to reduce the wages and lower the standards of living of laborers within our own territory without in any way bettering or improving the condition of Cuban labor.

Mr. SIMMONS. Mr. Chairman, will the gentleman yield there?

Mr. WOODRUFF. Yes.

Mr. SIMMONS. The so-called bounty bill introduced by the gentleman from Wisconsin [Mr. FREAR] does not prohibit all child labor in the fields. It prohibits a child under 16 years old to work by the day, but under that bill a child even of 6 years old may receive compensation.

Mr. WOODRUFF. Perhaps, but let me say to the gentleman that I have sympathy with the proposition advanced by the gentleman from Wisconsin. I heard what he had to say about his proposed bonus as a solution of this great question, and it occurs to me that unless we do something in some way to curtail the expansion of the sugar industry in our island possessions we will have to come to the proposition of Mr. FREAR or to the so-called sliding scale which has been mentioned in the last few days. Great Britain now has a tariff on sugar larger than ours and in addition pays to the beet-sugar producer 1 cent per pound, and it seems to be working there very satisfactorily.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. WOODRUFF. Mr. Chairman, there is one other phase of this question that I think I can discuss in five minutes, if the gentleman from Washington can give me that time.

Mr. HADLEY. I regret I am not able to yield further time.

Mr. WOODRUFF. Inasmuch as so much time has been devoted to the other side of the question, I think it but fair that I should have an additional five minutes.

Mr. HADLEY. I will yield to the gentleman five minutes.

The CHAIRMAN. The gentleman from Michigan is recognized for five minutes more.

Mr. WOODRUFF. I can not tell the gentleman how much I appreciate his kindness.

The phase of this bill that I now want to touch upon is the statement that has been made at different times by different Members of the House, charging us who are interested in the tariff on sugar with a desire or an intention, of robbing the people of the United States. I want to examine the facts in connection with that statement and examine the conditions under which the people of the United States buy their sugar, and the price they have to pay for this commodity as compared to the prices paid by the less prosperous peoples of the earth.

Mr. Chairman, all of this leads up to the specific charges by certain Members of this House that the consumers of the country are about to be robbed, providing the proposed increase in tariff on sugar goes into effect. Upon the same theory they might argue that inasmuch as there is at the present time a tariff on sugar, the consumers are now being robbed. To be consistent they should carry this argument on to its ultimate conclusion and argue that wherever there is a tariff upon any product coming into this country the consumers of that product are being robbed. In view of their charges, it is well to consider what other countries of the world are doing in the way of developing their sugar industry and the prices consumers of those countries are paying for this most important food product.

The figures I hold in my hand are those given to me by the Department of Commerce within the last few days and can, I presume, be considered authentic. I am placing these figures in the RECORD as a part of my remarks and a study of them will show that of the 24 most important countries in the world enumerated the consumers of the United States buy their

sugar for less money than do the people of any of the other countries. They will also show that the tariff on the importation of sugar into this country is at this time less than it is upon that product coming into any of the other countries named. They show also that every enlightened country in the world is to-day doing everything possible to protect and develop its domestic sugar industry; that the peoples of other lands recognize the economic value of the sugar-beet crop and what it means to the consumers. Why should we who live in a comparative economic paradise be willing to do less for this great industry than is done by practically all other peoples of the world, all of whom are less advantageously placed in wages earned and in standards of living.

Wholesale prices of refined sugar

	July, 1927	March, 1929	Duty
	Cents	Cents	Cents
Denmark.....	(1)	5.8	(1)
Brazil.....	(1)	5.86	17.610
Russia.....	6.01	13.7	2.330
Italy.....	5.93	14.936	2.167
Spain.....	12.09	11.365	4.822
Norway.....	10.31	8	3.65
Hungary.....	9.04	(1)	1.816
Greece.....	9.02	9	6.114
Holland.....	8.82	(1)	(1)
Argentina.....	8.49	7.64	2.462
Finland.....	8.46	(1)	4.002
France.....	8.09	6.366	2.876
Australia.....	7.94	8.11	2.022
Sweden.....	7.26	6	2.912
Czechoslovakia.....	7.24	7.71	4.538
Germany.....	6.96	5.456	3.347
Austria.....	6.96	5.14	3.142
Newfoundland.....	6.75	(1)	2.00
Japan.....	6.65	7.6	2.073
United Kingdom.....	6.62	4.862	1.811
Poland.....	6.58	6.8	4.572
Canada.....	6.32	5.225	1.770
Belgium.....	5.43	(1)	5.047
United States.....	5.87	4.802	1.7648

<sup>1</sup> Information not available.

<sup>2</sup> Plus bounty of 1 cent per pound.

It is agreed, I think, by everybody that every American who contributes anything to the economic life of this Nation either receives or should receive for his contribution to the welfare of the country a greater compensation than does his contemporaries in any other country in the world. In other words, for anything which he may contribute he should receive the American price. This American price for his labor or his professional services, or what not, enables him to live on an American standard. It puts him in a position where he can afford to, and should be glad to, pay the American price for the things he buys.

I believe pretty much as my friend from New York, Mr. CROWTHER, believes, that if protection is good for one industry, it must necessarily be just as good for any other industry, provided it is necessary to prolong the life and protect the labor employed by that industry. Surely this applies to the domestic sugar industry when history teaches us that so long as we have such an industry the price to the consuming public will be kept on a reasonable basis. I think I shall put into the RECORD at this point the following data which most graphically shows the experience the consuming public had in the year 1920 at a time when all domestic sugar was off the market and our people found themselves at the mercy of the Cuban producer. The following figures are for Cuban raw sugar f. o. b. New York:

Effect of beet-sugar crop on New York price of Cuban raw sugar in 1920

	Net cash cents per pound
Jan. 2.....	12.79
Jan. 5.....	12.34
Jan. 6.....	12.275
Jan. 7.....	12.92
Jan. 8.....	13.04
Jan. 23.....	13.00
Feb. 5.....	12.79
Feb. 7.....	12.54
Feb. 9.....	12.04
Feb. 16.....	11.03
Feb. 18.....	10.28
Feb. 24.....	10.16
Feb. 26.....	10.28
Mar. 2.....	11.29
Mar. 3.....	11.41
Mar. 4.....	11.54
Mar. 9.....	11.03
Mar. 12.....	11.29
Mar. 15.....	11.54
Mar. 17.....	11.79
Mar. 18.....	12.04
Mar. 19.....	12.54
Mar. 22.....	12.79
Mar. 27.....	13.04
Mar. 30.....	13.34

<sup>1</sup> Domestic beet sugar competing with Cuban cane sugar.



(Domestic beet-sugar crop exhausted.)		Net cash cents per pound
Apr. 1	-----	14.04
Apr. 3	-----	14.79
Apr. 5	-----	15.30
Apr. 8	-----	16.55
Apr. 9	-----	17.30
Apr. 10	-----	17.43
Apr. 12	-----	17.81
Apr. 13	-----	18.31
Apr. 14	-----	18.56
Apr. 15	-----	19.06
Apr. 17	-----	19.56
May 12	-----	20.01
May 13	-----	20.06
May 14	-----	21.57
May 17	-----	22.57
May 18	-----	23.07
May 19	-----	23.57
(Sugars from all over world becoming attracted to our market by high price of Cuban sugar, forcing down price.)		
May 26	-----	22.07
May 27	-----	20.56
June 3	-----	20.31
June 4	-----	20.01
June 7	-----	20.06
June 16	-----	19.56
June 23	-----	18.51
June 28	-----	18.26
June 29	-----	18.31
July 9	-----	18.56
July 15	-----	18.31
July 19	-----	18.06
July 20	-----	17.55
July 21	-----	16.55
July 27	-----	16.30
Aug. 6	-----	16.05
Aug. 9	-----	15.26
Aug. 12	-----	13.04
Aug. 19	-----	12.04
Sept. 8	-----	10.76
Sept. 13	-----	10.78
Sept. 28	-----	10.00
(Domestic beet-sugar competition resumed from new crop, further forcing down price.)		
Sept. 30	-----	9.06
Oct. 1	-----	9.00
Oct. 4	-----	8.00
Oct. 6	-----	8.00
Oct. 8	-----	7.76
Oct. 13	-----	8.00
Oct. 15	-----	8.03
Oct. 18	-----	8.76
Oct. 19	-----	9.03
Oct. 20	-----	8.78
Oct. 25	-----	8.51
Oct. 26	-----	8.26
Oct. 27	-----	8.53
Oct. 29	-----	8.26
Oct. 30	-----	8.03
Nov. 5	-----	7.52
Nov. 8	-----	7.27
Nov. 10	-----	7.02
Nov. 12	-----	6.51
Nov. 16	-----	6.52
Nov. 18	-----	6.26
Nov. 19	-----	6.14
Nov. 22	-----	5.77
Dec. 7	-----	5.51
Dec. 8	-----	5.32
Dec. 9	-----	5.27
Dec. 10	-----	5.01
Dec. 13	-----	4.76
Dec. 14	-----	4.63
Dec. 18	-----	5.01
Dec. 21	-----	5.14
Dec. 22	-----	5.38
Dec. 27	-----	5.31
Dec. 31	-----	5.32

Dates and figures from Willett & Gray's Weekly Statistical Sugar Trade Journal, January 13, 1921 (p. 23). Notations interpolated by author. Dates are given only when a change in price occurred.

We will all remember that during the years of the World War the sugar-beet industries of European countries had been destroyed. World production of sugar had been greatly reduced, and around the last of March, 1920, when the domestic beet-sugar crop had been disposed of and when Cuba had most of the world's supply of sugar, prices very rapidly advanced until, on May 19, the Cuban sugar producer was gouging the American public until, by reason of that fact, sugar sold at retail in the American markets for as high as 30 and 35 cents per pound.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. WOODRUFF. May I have one minute more?

Mr. HADLEY. I regret I can not yield it.

Mr. WOODRUFF. Will the Democratic side yield me one minute?

Mr. GARNER. I will yield to the gentleman one minute if it will accommodate him.

Mr. WOODRUFF. My friend from Texas is always delightful.

Of course, this condition could not exist continuously. Sugars from all over the world were attracted to this market and the

prices rapidly dropped, but not until the next domestic beet crop came on the market did the people of the United States derive the full benefit of the domestic industry, when, because of the competition it afforded, we were able to buy our sugar at retail prices of not more than 6½ cents per pound. Is there anything anywhere which shows that the Cuban leopard has changed his spots, and that if he is afforded another opportunity he will not repeat his tactics of 1920? I think not, Mr. Chairman, and I believe if we are to protect the interests of the consuming public it is necessary that we approve the rate as written into this bill and provide a continuance of the competitive conditions which followed the Cuban raid on the American pocketbooks in 1920.

My friend from New York [Mr. LAGUARDIA], my friend from Illinois [Mr. RAINY], and my friend from Mississippi [Mr. RANKIN] would destroy this great industry, which has so effectively protected the American consumer during all the years that it has been a force in the production of sugar. When I named those who would destroy this great American industry I did not name my friend from Wisconsin [Mr. FREAR]. I believe that he sincerely wishes to preserve this great industry, not only in the interests of the farmers of the country but in the interests of the consuming public. He has proposed a bounty on sugar, which, in connection with a tariff, in my opinion, may some time be put into force and effect in this country. I believe with him that this is one of the things that may solve this problem. I believe with him that under his proposal the American sugar-beet industry might expand and prosper, but I differ with him on the theory that this new departure can be put into effect at this time. We have a very sick patient on our hands, and it seems to me to be mighty important to keep him alive with the remedy we have at hand until such times as we can bring the proper remedy to bear to preserve life.

Now, Mr. Chairman, it has been my purpose to contribute something of value to the discussion of the tariff on sugar. It has seemed to me that some one should answer the charges I have answered. The facts are that labor conditions are no different in the beet fields than they are in other farm fields. In fact child labor is exploited less in States producing beet sugar than in the other States, and the Members of this House should have this information before them when they vote on this most important question.

My city, I believe, produces more beet sugar than any city in the world. My farmers grow this very important crop. I drive through my district frequently every summer when I am home. I know the conditions existing in the beet fields of Michigan. I know that the statements made by certain Members of this House on the floor relative to conditions existing in my State are not justified by the facts. I know if you ruin this great agricultural industry you will simply add to the problems already confronting agriculture in this country, and it is my hope and my belief that this House is going to approve the recommendation of the Ways and Means Committee and thereby throw a mantle of protection, not alone around the industry itself, but around the shoulders of the consumers of the country as well. [Applause.]

Mr. HAWLEY. Mr. Chairman, I yield 20 minutes to the gentleman from South Dakota [Mr. WILLIAMSON].

The CHAIRMAN. The gentleman from South Dakota is recognized for 20 minutes.

#### WHY TARIFF ON MANGANESE ORE SHOULD BE INCREASED

Mr. WILLIAMSON. Mr. Chairman and gentlemen of the committee, I am as well aware as anybody that no tariff bill can be drawn to satisfy everybody, and probably no tariff bill could ever be passed through this Congress that would adequately take care of every line of industry, including agriculture and mining. This Congress, however, so far as this special session is concerned, was dedicated to the proposition of taking care of the primary producers rather than to take care of those who have had the benefits of protection through all these years. Every effort should be made to place these primary producers upon the same plane with industry and labor, so far as that can be done by tariff adjustments.

Some of us have been putting forth every effort to get adequate protection on farm products, and more especially to get an increase in the dairy, livestock, and grain schedules. These efforts are bearing fruit and will enable some of us to support the bill who otherwise would register a veto. This afternoon, however, I desire to discuss the tariff on metallic manganese.

Manganese must be classed as one of our most important metals. In time of war it is as essential as iron and steel. During our contest with Germany we spent enormous sums in an effort to develop manganese and succeeded in bringing our production up to 205,869 tons for the year 1919. Had it not been for the fact that our fleet, together with the British fleet, was able to keep the sea lanes open, disaster would have be-



fallen us. From the standpoint of national defense alone we can not afford to neglect the development of our own existing ore bodies.

While manganese is quite extensively used to decolorize glass, as a depolarizer in dry batteries, as a drier in varnishes and paints, and as a coloring agent in producing pleasing and distinctive shades of building brick, its chief use is in connection with the production of high-grade pig iron and steel. For the latter purpose no substitute has so far been found, and it is, therefore, absolutely indispensable to our steel industry.

#### DOMESTIC SUPPLY DEPENDENT UPON PROTECTION

As a producer of pig iron and steel we have for a considerable time taken first rank among the nations of the world. This premier position depends upon a reliable and abundant supply of manganese. To-day we are dependent upon foreign sources for approximately 93 per cent of our total supply. This situation is entirely indefensible in view of the known quantities of low-grade ore within the country and in view of the new processes which have been developed in beneficiating this ore into a high-class product for use in the steel mills. Our chief sources of foreign supply are Brazil, West Africa, India, Russia, Cuba, and the Argentine, the long end of the supply coming from Russian and British sources. In 1928 approximately 50 per cent of the total supply of manganese was imported from Russia.

Prior to the World War little manganese was produced in this country. Under the stimulation of war prices and guarantees against loss by the Government to manganese producers we succeeded in increasing our production during the war period until it reached, as I have already stated, something better than 305,000 tons. Following the armistice the industry immediately collapsed. Our production fell from 305,000 tons in 1918 to 13,404 tons in 1922. Under the stimulation of a tariff of 1 cent a pound on manganese ore containing 30 per cent or more of metallic manganese our production again gradually climbed, until by 1925 it had reached 98,324 tons, but declining prices due to heavy importations forced some of the chief producing mines in Montana out of the business, with the result that for the years 1927-28 only about 45,000 tons were produced annually. Unless adequate protection can be assured the present situation is apt to continue indefinitely. It will mean just that much less labor for American workmen, lessened opportunity for American capital, and a continued menace in the event of another war.

#### ANIMUS OF BETHLEHEM STEEL IN DEMANDING FREE MANGANESE

New methods of mining and new furnace processes developed during the last three or four years have placed us in a position where we can produce practically our domestic supply of manganese if the necessary protection is forthcoming. The chief opponent to added protection appears to be the Bethlehem Steel Co. While Mr. C. A. Buck, vice president of the Bethlehem Steel Co., did not present himself for cross-examination by the Ways and Means Committee, he did file a statement, in which the following appears on page 1830 of the hearings:

Manganese being essential to steel making, every effort has been made to establish its existence in quantity and quality in our own country. I know personally from 40 years' experience that every effort has been made by us in that direction, and I would urge the committee to reflect on the fact that the steel industry itself would voluntarily, without any tariff or other legislation, turn to the domestic source of materials if such materials existed in proper quantity, quality, and location.

A little later on he says:

Americans are now seeking such natural riches in all parts of the world and bringing them to this country for conversion and consumption. Tariffs on such riches as manganese ore distinctly tend to the utilization of our material wealth in an unnatural and uneconomic way.

He concludes by saying that "I officially speak for the greater part of that [steel] industry," and insists on the "reestablishment of manganese ore on the free list," the very thing that will forever make impossible the development of the production of manganese on a considerable scale in this country. In view of his insistence on placing manganese on the free list, the sincerity of his professions of interest in our domestic production is not convincing. It is decreasingly convincing as we examine into the activities of Leonard J. Buck (Inc.), which is the commercial agent in the United States of the Soviet Manganese Ore Trust. This Leonard J. Buck is none other than the son of the vice president of the Bethlehem Steel Co.

At this point I desire to incorporate in the Record a letter from Leonard J. Buck (Inc.) to Messrs. Pomeroy & Fischer (Inc.), of New York, and another one from the Bethlehem Steel Co., which are of interest in connection with what I have just stated.

NEW YORK, March 21, 1929.

MESSRS. POMEROY & FISCHER (INC.),  
95 Madison Avenue, New York, N. Y.

DEAR SIR: It is our pleasure to announce that we are the sales agent of the soviet producers of the well-known Georgian (Caucasian) manganese dioxide.

Maintenance of large stocks of manganese dioxide in America enables us to supply any mesh you may desire and packed to meet with your requirements.

If you are interested in manganese dioxide, we should appreciate receiving your requirements per year, together with your desired mesh, at which time we shall be pleased to quote you our price.

Awaiting your early reply, we are,

Very truly yours,

LEONARD J. BUCK (INC.),  
M. W. KOCH, Secretary.

BETHLEHEM, PA., March 17, 1926.

HY-GRADE MANGANESE CO. (INC.),  
Woodstock, Va.

GENTLEMEN: Answering your letter of March 11: We are fully covered on manganese ore for the current year and are, therefore, unable to consider at this time the purchase of your product.

Yours very truly,

BETHLEHEM STEEL COMPANY (INC.),  
CHAS. R. HOLTON, Purchasing Agent.

Mr. DICKSTEIN. Will the gentleman yield?

Mr. WILLIAMSON. Yes.

Mr. DICKSTEIN. What did the committee do? Did the committee place manganese on the free list?

Mr. WILLIAMSON. No. Manganese, in the present tariff bill, carries the same duty as it did under the 1922 act, namely, 1 cent a pound upon ore having a 30 per cent content of metallic manganese.

Mr. DICKSTEIN. What does the gentleman think the rate should be increased to?

Mr. WILLIAMSON. I think the rate should be 1½ cents per pound, and that such rate should be made to apply to 10 per cent ore, because that is the only kind of protection that is of very much value to the manganese producer in view of recent developments.

Mr. LEECH. Will the gentleman yield?

Mr. WILLIAMSON. Yes.

Mr. LEECH. Is it not a fact that there are but about 5,000,000 tons of reserve manganese of over 30 per cent in the United States?

Mr. WILLIAMSON. So far as over 30 per cent manganese ore is concerned, the gentleman may be correct, but, so far as low-grade manganese ore is concerned, running from 10 to 30 per cent, the supply in this country is practically unlimited.

Mr. LEECH. Is it not also a fact that to make high-grade manganese ore the only manganese suitable is that of over 30 per cent?

Mr. WILLIAMSON. That is not a fact, for the reason that low grades of manganese ore are to-day being used for the purpose of sweetening pig iron and putting it in shape for the manufacture into steel later on. Large quantities of ore are used for that purpose. I shall discuss this later, if time permits. And it is not true for the further reason that the development of new processes has made it possible to beneficiate these low grades of manganese ore into 40, 50, and 60 per cent metallic manganese without difficulty, and at a cost which will permit operation if the suggested tariff rate can be secured.

Mr. LEECH. The gentleman appreciates, does he not, that the steel industry is using about a million tons of high-grade manganese ore a year?

Mr. WILLIAMSON. Yes; I appreciate that.

Mr. LEECH. And that the reserve is 5,000,000 tons.

Mr. WILLIAMSON. Oh, no; there are untold quantities.

Mr. LEECH. Does the gentleman think it would be proper, looking to a possible emergency, to use the 5,000,000 tons we have here?

Mr. WILLIAMSON. I say that in looking to a possible emergency, the only sensible and sane thing for the American people to do is to develop the available manganese ore and the only way to develop the available manganese ore is by giving us such protection as will prevent crushing competition from foreign countries. That is the only thing which will develop manganese in this country.

In 1928, this concern brought into the United States from Russia approximately 50 per cent of our total manganese imports and distributed them to the American steel mills. No wonder Mr. Buck now appears as a special pleader for Soviet Russia as against our own producers. He wants free trade



on manganese and increased duties on steel products. For pre-eminent selfishness and utter disregard for the producers of the raw materials, this gentleman must be conceded to take high rank.

Further light is thrown upon the activities of Mr. Buck and Bethlehem Steel by their connection with the Georgian Manganese Co. (Ltd.), which was backed by Mr. Harriman. In 1925 Mr. W. E. Harriman, on behalf of this company, secured certain concessions in Russia and proceeded to install machinery for the production of manganese. He soon discovered, however, that he was not getting the cooperation of the Soviet Government and was quickly subjected to impossible operating conditions, compelling him to close down his operations and lock up his mills. He finally effected a settlement with the Soviet Government by which he agreed to take three million five hundred thousand 7 per cent double ruble debentures to mature in 15 years. Not only that, but the Soviets insisted upon his advancing a loan of \$1,000,000 and threatened to burn down his plants unless the money was forthcoming. Harriman refused. After one plant had been burned down, Harriman came to terms and advanced the money. It is now being paid back in manganese ore. This manganese ore to-day is delivered through this same Leonard J. Buck, Inc. The animus behind Bethlehem Steel is therefore quite apparent. In place of doing its share in helping build up a great American industry and making this country independent of foreign supply in one of our most important minerals, it refuses to contract for American ore.

#### INCREASED DUTIES INDISPENSABLE

It is an interesting commentary on this situation that American steel mills have been paying a higher average price per unit for foreign manganese laid down at the mills during the past five years than they have been willing to pay for the same grade of ore produced in this country. For the 5-year period ending December 31, 1928, the average price paid by the steel industry on foreign ores at seaboard was 63.1 cents per unit. The unit is a trade term used to represent 1 per cent metallic manganese in 1 ton of ore. The cost of transportation from seaboard to the steel mills averages about 5 cents, making the price paid 68 cents per unit. During that period the highest price known to have been paid for American ores of even better grade was 60 cents per unit. The stimulus given by Mr. Leonard J. Buck to Russian exports to this country will be appreciated when it is remembered that the importation of dutiable manganese from Russia has increased from 1,642 gross tons in 1922 to 133,159 tons for 1927 as shown by the following table:

*Imports of manganese ore into the United States*

Year	Total from all countries (gross tons)	Imports from Russia (gross tons)	Per cent of total
1922.....	374,451	1,642	0.4
1923.....	196,986	11,670	5.9
1924.....	231,393	41,097	17.8
1925.....	286,564	114,537	40.0
1926.....	347,378	122,345	35.2
1927.....	308,630	133,159	43.1
1928.....	159,842	79,529	49.8

An examination of the table will disclose that the dutiable importation from Russia in 1928 fell to 79,529 gross tons. This falling off is due to the fact that the producers of high-grade pig iron and steel have found a way to use the low-grade ore and during the year 1928, according to reliable data, imported in the neighborhood of 100,000 tons of manganese ore carrying a content of from 27 to 28 per cent metallic manganese, thereby dodging payment of duty.

This is a sufficient answer to the gentlemen who claim that ore of less than 30 per cent is of no value. If low-grade ores are of no value why these importations? In many cases these low-grade ores are mixed with high-grade ores after being imported, thereby cheating the Federal Treasury out of what is justly due.

The schedule as now written in the bill will continue to encourage the importation of these low-grade ores to the detriment of our own industry and the Federal Treasury. It is therefore absolutely indispensable, in order to give protection to American manganese producers, to so modify the language in paragraph 302, subdivision (a), of the proposed tariff bill of 1929 as to make the duty apply to ore carrying metallic manganese content much lower than the 30 per cent. Everything coming in below 10 per cent is classified as manganiferous ore by the trade. Such ore is at present upon the free list. It is my judgment that, in order to give adequate protection to the

manganese industry, the duty should be increased from 1 cent per pound to 1½ cents per pound on metallic manganese and that such duty should apply to all ores containing more than 10 per cent of metallic manganese.

It would help us considerably if we could get even one of these two proposed changes in the bill. If the committee will not increase the duty, at least the percentage of manganese content required should be reduced to 10 per cent. If this change alone were made it would go a long way toward rehabilitating the industry in America.

#### AMPLE ORE BODIES AVAILABLE

It is conceded by everybody that it is highly desirable to become self-supporting in the production of manganese. Even the steel people seem to concede this, but they insist that we do not have the ore. After a painstaking investigation into the ore supply available, I have become thoroughly convinced that we have an abundant supply which can and will be developed under the protection proposed. Our annual consumption is approximately 850,000 tons, containing 425,000 tons metallic manganese. Our own production in 1928 was 22,500 tons of metallic manganese. The annual imports are in the neighborhood of 300,000 tons of metallic manganese. Low-grade domestic manganese being used annually, due to 1 cent tariff on high-grade ore, has increased from 251,614 tons in 1922 to 1,310,000 tons in 1927. This development is due to increased use of low-grade manganese ore to sweeten pig iron before it goes into steel.

So the protection which we have had has been of some benefit to the industry, although it is not the protection necessary to put the industry back where it was in 1919.

Illustrative of what is going on, one plant alone at Butte, Mont., is taking low-grade ore formerly considered worthless and shipping a high-grade manganese ore at the rate of 72,000 tons a year, but one of the two kilns is now idle, for the reason that they have no market for the ore. This product runs 57 per cent metallic manganese, as against 45 to 52 per cent for foreign ores. Were it not for the refusal of American steel mills to contract with domestic producers for future supply, the output of Montana and other manganese plants could and would be greatly increased. Give us the additional duty, together with lowered percentage of metallic manganese ore to which it applies, and the American producers of steel would find it to their advantage to use American ores.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. WILLIAMSON. Yes.

Mr. LAGUARDIA. I have been informed that the only steel company which objected to the increase was the Bethlehem Steel Co.

Mr. WILLIAMSON. The only company that appeared before the committee was the Bethlehem Steel Co., although Mr. Buck claimed to represent the other steel companies. As a matter of fact, however, he did not represent all, because I understand that representatives of the United States Steel Co. have said privately that they were not opposed to the proposed increase.

As a matter of fact, the United States is endowed with practically inexhaustible supplies of manganese. Low grade but workable ores are found in Alabama, Arizona, Arkansas, California, Colorado, Georgia, Idaho, Massachusetts, Minnesota, Montana, Nevada, New Mexico, North Carolina, Oregon, South Dakota, Tennessee, Virginia, Washington, and Utah.

I have just received a letter from K. M. Leute, of Detroit, Mich., representing the General Manganese Corporation of that city, in which he says, among other things:

The report tendered to us by Mr. John A. Savage, of Duluth, Minn., a mining engineer of national prominence, whom we have paid \$16,000 to pass an opinion on this South Dakota ore body and who spent nearly eight months before he came to a conclusion, gives us 50,000,000 tons of this ore material, and puts himself on record that with the proper beneficiation of this material we can supply a big proportion of this country's demands for manganese and could place the American steel industry absolutely independent of foreign ores in case of national emergency.

#### STEEL COMPANIES PROSPEROUS

This is but a duplication of the situation with reference to this ore body in most of the other States mentioned.

No sound reason exists why Bethlehem Steel or, for that matter, any other steel company should object to a duty on manganese. In view of the enormous profits made by the steel companies they certainly should be willing not only to pay a decent price for domestic manganese but to absorb, without passing it on to their customers, any additional duty that might be imposed.

I have in my hand a copy of the Daily Metal Trade, published at Cleveland, Ohio, under date of March 8, 1929. The outstanding article upon the first page is headed as follows:



PROSPERITY COMES TO STEEL INDUSTRY—EARNINGS FOR 1928 ARE 23 PER CENT GREATER THAN IN 1927—MILL BOOKS BULGE WITH UNFILLED ORDERS—SOUND BASIC CONDITIONS BRIGHTEN INDUSTRY'S OUTLOOK.

(Daily Metal Trade News Service)

CLEVELAND, March 7.—Real prosperity has come to the iron and steel industry, as predicted late last summer by Daily Metal Trade.

Net earnings of 10 leading steelmakers in 1928 were 23 per cent greater than in 1927.

Mill order books are bulging.

The railroads in two months of 1929 have ordered almost as many cars as in the 12 months of 1928.

In a leading editorial of the New York Times under date of May 2, 1929, I find the following paragraph with reference to the United States Steel Corporation:

The corporation's remarkable earnings have been partly, but not conspicuously, a result of higher prices for its products. Steel advanced in price last month to \$36 a ton, but it sold at \$33 to \$34 during the preceding quarter, which compared with a low price of \$32 in 1928, with \$35 in 1926, and with as much as \$45 in the early part of 1923.

Notwithstanding the large increase in the price of steel during the recent months, the industry is still unwilling to absorb the pitiful item of protection that we are asking for on manganese. Only about 16 pounds of manganese are used in a ton of steel. The present tariff of 1 cent a pound adds only 16 cents to the cost per ton. An additional half cent per pound would make the cost 24 cents per ton. Certainly 24 cents per ton can not be a serious burden in view of the protective tariff on finished steel, which averages at least \$6 per ton.

In other words, only a small per cent will be added to the price of steel as a result of protection upon manganese, while the protection upon the finished steel product, due to the tariff on steel, adds in the neighborhood of \$6 a ton. With the prosperity enjoyed by the steel mills throughout the United States these mills can absorb the 24 cents a ton additional on account of the tariff upon manganese without increasing the price one penny to the consumers of structural or other steel. Their profits will still be ample—more, in fact, than their capital investment justifies.

I know that they argue that the steel industry is paying a large amount of revenue into the Federal Treasury, but in view of the large income of the steel mills in every part of the country they have no reason to complain because they contribute something in the way of a tax upon manganese in view of the fact that they themselves derive a benefit to the extent of \$6 a ton on their own products. Their position is unreasonable; it has no justification upon the facts and can not be defended upon reason.

I sincerely hope the Ways and Means Committee will open up the schedule on manganese. I believe the sentiment of the House will amply justify their doing so. I am confident the House would stand for an increased duty upon manganese ore and for a reduction of the metallic content of the ore to which it would be applicable.

I feel certain that if this is done we shall be able to employ at least 10,000 people in the industry, from \$10,000,000 to \$20,000,000 in capital, and that as a result of the employment of this labor and capital we shall be able to produce all the manganese this country needs and provide for any possible future emergency. [Applause.]

I shall not take the time to read the telegrams and letters which I have here, but will insert them as a part of my remarks and I hope that you gentlemen may have an opportunity to read them.

The matter referred to follows:

ATLANTA, GA., March 23, 1929.

AMERICAN MANGANESE PRODUCERS' ASSOCIATION,

Metropolitan Building, Washington, D. C.

After a rather thorough check on the manganese situation in Georgia, we have to advise that we estimate the present investment in land and improvements of \$3,000,000, and the further additional investment for plants and machinery now in process of being installed of \$1,500,000, of which amount the Georgia Manganese & Iron Co., in the Cartersville district, are in the act of installing equipment for the production of 180,000 tons per annum of ferro-grade ore, said additional equipment and improvements to cost \$1,000,000, funds for which are in the National City Bank of New York as trustee, to be withdrawn as fast as the money can be expended.

JOEL HURT, Jr.,

President American Minerals Corporation.

SILVER CITY, N. MEX., February 23, 1929.

Senator SAM G. BRATTON,

Washington, D. C.

Hon. SENATOR BRATTON: The industrial growth of any community is based on the integrated selfishness of the individuals of which it is composed.

This selfishness is the motive force which puts into effect creative ideas. This letter is presented with the object of informing you of certain conditions that exist and are wrapped up with the industrial welfare of this community and the State in general.

At the present time there is an agitation before Congress to remove the tariff protection on manganese. You are no doubt informed as to the general conditions of the present manganese industry in these United States. There are facts with regard to this community which it is our intention to present for your consideration. There exists at Silver City, Grant County, N. Mex., an immense body of low-grade manganese iron ore. The industry of mining this ore had received considerable impetus due to the emergency that existed due to the late World War. Some 250,000 gross tons of manganese iron ore have been produced from 1916 to the first of this year.

At the present time there are employed on the Silver Spot Mines property 125 men producing this manganese ore at an approximate rate of 9,000 gross tons per month, or about 100,000 gross tons yearly. This new wealth created by this effort is measured by the sum of \$50,000 per month in raw materials. This first wealth is distributed first hand to the local community and railroad and, secondly, to the State in the form of taxes. It is quite possible that the progress of science will enable the beneficiation of these ores to such an extent that their production will be greatly increased with the attendant upbuilding of this community. A decision on your part to uphold and protect this industry will not be detrimental to the interests of our State nor of the United States in general. A small tax represented by this tariff would amount to about 15 cents per ton of steel produced. Certainly this is a small price to pay for the insurance for the production of this metal that contributes so much to the element of national security.

You are informed that it is my personal opinion that there is a possible tonnage of 10,000,000 gross tons in this deposit. The continued importance of this industry to the State and the community is analogous to any other infant industry that contributes to the welfare of this State.

It is true that the per cent of manganese (10 per cent) would be admitted duty free. However, a duty imposed upon foreign manganese would tend to prevent the exclusion of this class of ore and insure a growth of this industry in this vicinity. There is another consideration of which you are no doubt aware, that is the national security given to our country in time of a crisis of war. Mines are not a matter of instantaneous development, but a slow growth under the direction of creative minds in cooperation with capital for the upbuilding of an industry.

It is felt that sufficient matter has been presented which will enable you to grasp the importance of affording the protection to this industry which means so much to the Nation, this State, and the community in general.

Very truly yours,

R. I. KIRCHMAN.

CHICAGO, ILL., January 4, 1928.

Mr. J. CARSON ADKERSON,

President American Manganese Producers' Association,

Metropolitan Bank Building, Washington, D. C.

DEAR MR. ADKERSON: In response to your letter of December 28, 1928.

The process which has been developed by the Bradley Fitch Co. will treat the low-grade manganese ores of America, and from them produce a very high-grade product for use in making ferromanganese.

Under the promise of a duty being maintained on manganiferous ores, as at present, the writer started, five years ago, to develop this process. The process was first treated on a laboratory scale in the laboratories of the Dorr Co., at West Point, Conn. This work was so successful that a small experimental plant was built at the Mines Experiment Station at Minneapolis at a cost of approximately \$50,000. This experimental plant was operated for two years. During its operation the process was investigated by the well-known firm of consulting engineers, H. A. Brassert & Co., and for the past year and a half it has been receiving this concern's continuous investigation. Their report, which will include mill plans, cost estimates, etc., will be ready some time this month. I am sure that this report will be extremely favorable.

The process leaches the manganese from low-grade ores through the use of ammonium sulphate. The above-mentioned report covers the application of the process in treating the nonmerchantable high-silica manganiferous ores which occur in large tonnages on the Cuyuna Range in Minnesota. It is the plan to treat ores containing 13½ per cent manganese and produce a concentrate which will



contain 63½ per cent manganese. For each ton of concentrates we will have to mine something over 5 tons of crude ore. Our cost sheets show that it will cost \$32.61 to produce 1 ton of 63½ per cent manganese from 5 tons of manganiferous ore. Of course, this cost may vary somewhat on actual operation. A ton of 63½ per cent manganese ore is worth, seaboard, without duty, \$25.40; with duty, \$39.62. It is manifest that the process will not be put in operation if the duty is lowered.

We have planned a mill with an ultimate capacity of 100,000 tons of this high-grade concentrate per year. We expect to build the first unit of this plant during 1929. We have applications from manganese miners for the use of the process that lead me to believe that within the next three to five years 300,000 to 500,000 tons of concentrate will be produced by this ammonium-sulphate method.

The Bradley Fitch Co., which owns the process, has expended over \$300,000 in its development to date and has under its control something over 5,000,000 tons of 13½ per cent manganese for the use of the process. The Bradley Fitch Co. will license responsible manganese ore mines in the use of the process and is not attempting in any way to build up a monopoly of this concentrated product.

This gives briefly the points I think you might want, but if there are other questions that you would like to put to me, or if I can be of any service to you in Washington, please advise me of this.

Yours very truly,

BRADLEY FITCH CO.,  
WILSON BRADLEY, President.

Mr. HAWLEY. Mr. Chairman, I yield 15 minutes to the gentleman from Minnesota, Mr. GOODWIN.

Mr. GOODWIN. Mr. Chairman and fellow Members, during the running of the general debate on the present bill (H. R. 2667) I have wondered how many of the Members on the Republican side of this Chamber, in the speeches you made in the last campaign, indicated to your agricultural constituencies that in providing farm relief by and through the protective tariff you told these constituencies that your idea of benefiting the farmer was by an increase in the tariff duties on those commodities which the farmer is of necessity obliged to purchase, and if you had done so what the effect thereof would have been upon them.

I can not deny but that some agricultural commodities have received a beneficial increase in tariff duties under the present bill, but it was my understanding when Congress convened in extra session that its main, if not its sole purpose, was to revise the tariff on agricultural commodities so as to raise them upward and to a level that would place them on a parity with the protection and benefits industry has received.

The great complaint, and a justifiable one by the farmer, has been for years that the protection afforded to him under the existing tariff law has not been on a parity with industry, and that he has been required to sell his commodities on an unrevised tariff and by lower duties than the protective tariff enacted by Congress for the advantage, protection, and benefit of industry.

I was of the belief that in the present revision of the tariff all agricultural commodities in need of protection would obtain increased duties, and of necessity that the duties on some of the commodities of industry, in which experience had demonstrated there was no further need for protection, would be reduced. I can not help but express amazement at the manner in which the committee has handled many of the items in the present bill. The farmer, of necessity, is a generous buyer of building material, especially of lumber, shingles, cement, and fence posts. In this bill most of the manufactured lumber which he is obliged to buy has had an increase in duties, and the same is true of shingles, and this notwithstanding that neither the cedar-lumber industry nor the shingle industry are in any need of protection.

I wish to discuss to-day Schedule 4 of the tariff bill, particularly the proposed tariff on cedar lumber, shingles, logs, and birch and maple lumber. If there is any particular schedule that, in my judgment, is more uncalled for than the removal of the items I have enumerated from the free list, I do not know it. Wood in all its forms is one of the basic commodities that underlies all our industrial activities and may be said to constitute one of the corner stones of our prosperity. Let me draw for you the picture of what has happened in our own land within the memory of any man of mature years.

I come from a State and from a district that one-fourth of a century ago was perhaps the leading lumber-producing region of the United States and possibly of the world. I can remember the day when Minneapolis was the world's greatest lumber-manufacturing city. I can recall when her prosperity was based on this industry. In the year 1901, in my congressional district alone nearly 650,000,000 feet of lumber were produced. This lumber was of the most valuable species of softwoods that the industry has ever produced—the old cork white pine of the

Lake States. In 1901, in the city of Minneapolis alone, nine large mills operated continuously and produced over one-half billion feet of lumber. It was a common sight to see the Mississippi River above the city filled with fine logs.

Contrast this, gentlemen, with the situation in this region as it is to-day, when not one single foot of lumber is produced in my entire district. All of the mills that operated 25 years ago are closed down and dismantled and in some cases all trace of them has disappeared. The forests that covered my district, the tall white-pine trees, are all gone, and in their place are farms or more often sandy barrens, with a scrubby and inferior growth, practically waste lands. This is the picture of what has taken place in my own district that I want to place before you to-day in reference to this tariff.

The condition I have described in Minnesota is not an isolated instance. It has been repeated from the Atlantic coast westward, and is taking place rapidly in the South and in the Pacific Northwest, where the bulk of the remaining stand of the old-growth virgin timber is still to be found.

I am informed that recently the Federal Forestry Service has been besieged by lumber manufacturers and loggers of the State of Washington to allocate to various interests the timber on the national forests in Clallam and Jefferson Counties, one of the few large remaining bodies of timber in this State, and I am further informed that there is a struggle in progress for the control of this timber, and also that upon the adjoining Indian reservation between the operators of the Grays Harbor district of Washington and those around Puget Sound. This situation has developed suddenly, and it is only within a very short time that the lumbermen themselves have awakened to the fact that the future of many of their operations was threatened by a failing supply of timber. I give you this illustration to show to what an extent depletion of our forests has gone. Remember, if you please, that this situation has developed in what has been termed "the forest reservoir of the Nation." This struggle for the possession of the timber on the Olympic Peninsula in Washington is based on a real condition, as is fully borne out by the figures compiled by Mr. Porteous, a forest engineer of Seattle, Wash., from the records of the county assessors in western Washington. His figures, a table of which I submit herewith and ask that it be inserted in the RECORD, indicate that at the present rate of cutting all of the privately owned timber of western Washington, which is the great timber belt of the State, will be cut off in 17 years. In the Nation as a whole the best available figures taken from the Government departments show that at the most we have only about 40 years' supply remaining and that much of this is young or second growth. This estimated length of life of our forest resources also takes into account, I might add, the increase due to annual growth, which at present is less than one-fourth of the annual drain upon our forests.

We are confronted to-day with a proposed tariff on shingles coming from Canada and on cedar lumber and perhaps, most remarkable of all, on logs; in fact, all of the products of cedar, including fence posts, is subjected to a 25 per cent ad valorem duty. Perhaps I should correct my statement, for I have noted that telegraph poles and telephone poles and piling of cedar remain upon the free list. When the pole is cut in two and it becomes a fence post for the use of the farmer it must pay its toll. It so happens that figures compiled by the State forester of the State of Washington indicate that the remaining stand of cedar available for lumber and shingles on private lands will be wiped out in about fifteen years. What cedar remains will be on the Government reservations and is small in quantity and of poor quality. Washington, I might add, contains very nearly all of the cedar stand. How can we possibly justify an effort to shut out the small amount of cedar and cedar products that we are now obtaining from Canada in face of this rapidly disappearing supply?

As a companion piece to this attempt to exclude cedar shingles and lumber, we have a proposal to place a 15 per cent ad valorem duty on birch and maple lumber, of which we import a relatively small amount annually from Canada—some fifty-odd million in all—while in the States of Michigan and Wisconsin, where the bulk of these two woods are now produced, at the present rate of cutting we shall have very nearly exhausted the supply within a period of five years. A tariff of this kind seems to me, gentlemen, wicked. [Applause.]

To complete the picture, it is also proposed to place a duty of \$1 per thousand on logs coming in Puget Sound waters, except—and I want you to note the exceptions well—that hemlock and spruce logs, which are sometimes used by the pulp and paper mills and sometimes by the lumber manufacturers and box manufacturing concerns, are free of duty when they go to the former, but pay the tax when they enter the realm of box manufacture and when they are used by the farmer.



This is, to my mind, a new feature of tariff making that is uncalled for, unsound economically, discriminatory, and seems too obvious to discuss further. What can be more absurd than to shut out this very essential raw material?

There is need, gentlemen, to make available to the people of our country the timber resources of Canada to piece out and supplement our own. It is the opinion of those who study building trends that we are on the threshold of an era of farm rehabilitation and building, all of which will call for lumber for the farm in larger quantities than have been needed for many years past. It is difficult to justify a tariff which will not only reduce the supply available but that will place a burden on our people for every foot of cedar lumber, shingles, fence posts, and birch and maple lumber of all kinds, and that through the duty on logs will increase the cost of boxes, crates, and other materials so necessary to the fruit grower and the farmer generally.

Mr. Charles Lathrop Pack, the president of the American Tree Association and the founder of the American Forestry Association, in a recent article appearing in the New York Herald-Tribune, states that an expedition is being organized to study the forests of South America with a view to determining what species are available for use in this country and to what extent the United States can depend upon South America for some of its future wood requirements. If the farsighted experts who have made a life study of forestry and of our resources are contemplating a move of this kind, is it not time that we in Congress aroused ourselves to the country's need and that we oppose any tariff that will tend to hasten the depletion of our own resources? Certainly if we are going to South America to look for a future supply, it is the part of folly to erect a tariff barrier against the more accessible resource of our neighbor of the north.

Back in 1914 the Department of Commerce made an exhaustive study of our remaining timber resources, with particular reference to the ownership of our standing timber. At that time it was found that about 60 per cent of the privately owned timber of the United States was in the hands of, roughly, about 1,800 firms and individuals, but it was pointed out that among these 1,800 owners, in many instances, there were close relationships between two or more, and that many of the companies did not own a very long supply. It was the belief of the department at that time that a very strong tendency existed toward an undue concentration of timber into very few hands. Certainly this concentration of ownership should not be aided and abetted by a protective tariff on forest products; and I understand that the effect of a tariff will in the end benefit only the large timber owners.

The record of the hearings before the Ways and Means Committee of the House contains testimony from expert lumbermen to the effect that a tariff at this time will have the effect of raising lumber prices and that the effect of this stimulation of prices will be to accelerate this cutting of our timber, possibly to the point where there will be an overproduction and a consequent waste. In other words, that a protective tariff will in the end be detrimental to our forest industry itself and detrimental to the Nation by hastening the depletion of its remaining resources.

I have heard the speech of Mr. RAMSEYER and I most heartily concur in what he has said. Mr. CLAGUE has also spread upon the record figures of great interest, and that point clearly to the fact that these duties in the wood schedule all lead to a higher cost to the farmer for his building material; his fence posts, the box or crate in which he ships his produce, the wood that goes into his farm machinery, and into his domestic utensils, to say nothing of the burden on our people generally.

And, is this done to protect an American industry against foreign aggression or cheap foreign labor? It is not. The record clearly shows that costs of labor in Canada and the scale of living are very similar to and on a parity with our own. Manufacturing costs run somewhat higher in Canada. We export to foreign lands on the average nearly twice the amount of forest products we import from Canada. (In 1928, 1,169,665,653 feet

were imported from Canada, while we shipped abroad 2,377,452,000 feet.) What, then, is the purpose of this tariff? Obviously it is for the selfish benefit of a few large timber owners in the Pacific Northwest, and it is proposed to tax every farmer in the land and every home builder, to the end that the few who control this great natural resource may find themselves richer overnight through the ability to get more for their timber and logs as collectors of this tax. They do nothing to create this great wealth, and yet we are to be taxed that their wealth may become greater.

The figures of exports of forest products to Canada from the United States are not inconsiderable. Taking into consideration the difference in population, we find that in dollars and cents we bought from Canada last year forest products amounting to 67 cents per capita of our population, while Canada bought from us \$1.99 worth of forest products per capita of her own population.

Can anyone honestly find in this situation a justification for a protective tariff? Not only is such a tariff detrimental to the welfare of the farmer, for whom this special session was called, but it is an economic and unsound policy for the Nation as a whole. Figures which have been submitted to the Ways and Means Committee show in the past few months prices in this country on the commodities that this bill would remove from the free list as follows:

	Per cent on the average
Cedar lumber.....	25
Shingles, for the grade of—	
Stars.....	38
Clears.....	34
Perfects.....	34

Cedar logs in Puget Sound have advanced 25 per cent in value, while fir logs have increased approximately 10 per cent.

You will observe from these figures that since a protective tariff was sought on the items mentioned, they have advanced in many instances more than the amount of the ad valorem duty it is proposed to assess. Can it be that the honorable gentlemen do not consider this additional revenue sufficient? Are we then to be called upon to assist in digging still deeper into the farmer's pocket for another 25 per cent and finally, gentlemen, by insisting upon these duties are we to assist in accelerating and reproducing the developments as I have described as taking place in my own district? I hope not. [Applause.]

The human element may appeal to you when I give you the list of the large mills that were operating in the city of Minneapolis, perhaps at that time the largest milling center in the world, in 1901, and of which there is not now a single running mill. The timber that supplied these mills is gone and gone forever, nature's great heritage; and when there was no longer a supply of timber the mills, of necessity, were forced to close, and every one of them has either been destroyed or dismantled.

*Lumber mills operating in my district, including the city of Minneapolis, in 1901*

H. C. Akley Co., Minneapolis.....	90,000,000
Backus Brook, Minneapolis.....	87,989,000
Bovey DeLaittre, Minneapolis.....	40,921,000
Carpenter Lamb Co., Minneapolis.....	37,500,000
Diamond Mills Co., Minneapolis.....	48,600,000
Shelvin Carpenter Co., Minneapolis.....	60,000,000
Nelson Gray Lumber Co., Minneapolis.....	58,600,000
Plymouth Mill, Minneapolis.....	35,375,000
C. A. Smith, Minneapolis.....	101,128,000
	560,113,000
Fuller Bean Co., Milaca.....	16,000,000
Scanlon Lumber Co., Nickerson.....	189,000
Rutledge Lumber Co., Rutledge.....	35,000,000
Atwood Lumber Co., Willow River.....	16,324,000
C. W. Burhelm, Bock.....	17,500,000
Chauspsky Bros., Beroun.....	982,000
Smith & Kirkwood.....	150,000
J. Hoaglund, Sandstone.....	1,500,000
	1,700,000
	89,345,000

County	Acreage logged from Mar. 1, 1919, to Mar. 1, 1923	Acreage logged from Mar. 1, 1923, to Mar. 1, 1924	Acreage logged from Mar. 1, 1924, to Mar. 1, 1925	Acreage logged from Mar. 1, 1925, to Mar. 1, 1926	Acreage logged from Mar. 1, 1926, to Mar. 1, 1927	Acreage logged from Mar. 1, 1927, to Mar. 1, 1928	Remaining privately owned timber- lands on Mar. 1, 1928	Years of logging remaining on basis of acreage logged in 1927	Number of logging operations year 1927
Whatcom <sup>1</sup> .....	Acres 11,800	Acres 6,400	Acres 2,240	Acres 2,400	Acres 4,080	Acres 1,280	Acres 75,380	Years 59	9
Skagit <sup>1</sup> .....	27,880	11,840	10,370	7,350	9,360	10,400	151,870	14	17
Snohomish <sup>1</sup> .....	36,080	9,610	8,390	8,880	8,560	6,320	72,720	11	12
King.....	40,960	11,360	10,800	10,040	14,040	17,840	176,570	10	37

<sup>1</sup> Large percentage of remaining timber is hemlock on rough, mountainous country.



County	Acreage logged from Mar. 1, 1919, to Mar. 1, 1923	Acreage logged from Mar. 1, 1923, to Mar. 1, 1924	Acreage logged from Mar. 1, 1924, to Mar. 1, 1925	Acreage logged from Mar. 1, 1925, to Mar. 1, 1926	Acreage logged from Mar. 1, 1926, to Mar. 1, 1927	Acreage logged from Mar. 1, 1927, to Mar. 1, 1928	Acreage logged from Mar. 1, 1927, to Mar. 1, 1928	Remaining privately owned timber- lands on Mar. 1, 1928	Years of logging remaining on basis of acreage logged in 1927	Number of logging operations year 1927
	Acres	Acres	Acres	Acres	Acres	Acres	Acres	Acres	Years	
Pierce	38,280	11,040	7,720	10,320	11,560	8,760	194,780		22	13
Thurston	21,723	9,680	7,560	11,800	10,880	11,520	83,840		7	17
Lewis	41,760	13,360	19,880	13,920	16,360	12,206	428,880		35	19
Cowlitz	14,000	5,320	7,290	5,080	10,320	8,050	258,270		32	5
Clarke	10,000	3,180	2,480	1,940	1,660	2,480	13,260		5	7
Wahkiakum	16,000	5,400	1,640	1,880	2,475	2,240	36,885		16	4
Pacific	33,240	11,880	8,360	7,880	8,320	10,720	282,560		26	29
Grays Harbor	83,880	28,080	29,760	25,400	27,690	25,250	194,930		7	24
Mason	29,900	10,800	15,920	9,040	14,080	10,080	72,970		7	41
Kitsap	2,000	3,200	3,480	3,120	4,590	8,920	16,930		2	9
Jefferson <sup>1</sup>	11,240	2,120	1,640	3,760	3,170	3,800	134,860		36	5
Clallam <sup>2</sup>	15,040	6,460	4,400	5,770	5,640	12,320	320,240		26	16
Western Washington	433,780	149,730	141,930	128,580	152,785	152,180	2,514,945		16	264

<sup>1</sup> Large percentage of remaining timber is hemlock.

NOTE.—These figures are compiled from the records of the county assessors. Privately owned timberlands are lands assessed as such, including all lands having over 6,000 feet to the acre. The cut-over areas are taken from the yearly reports made to the county assessors by operators and timberland owners.

Mr. CANFIELD. Mr. Chairman, on behalf of the gentleman from Texas [Mr. GARNER], I yield 20 minutes to the gentleman from Louisiana [Mr. SPEARING].

Mr. SPEARING. Mr. Chairman and members of the committee, this tariff bill has been the subject of such long discussion that there is very little to be said on the subject generally. It has been criticized, it has even been denounced, as not being in favor of the farmer or the agriculturalist but rather in favor of the commercial and industrial interests of the country.

I pass no judgment upon these criticisms, but it does seem to me that there is one item or one schedule that is distinctly in favor of the farmer and the agriculturalist, and that is the schedule raising the duty on sugar from 2.20 cents to 3 cents.

This is a provision that goes directly in favor of the farmer and of the agriculturalist and it goes there without any expense to, or charge against, the Government. I hope I make that clear. The raising of this tariff for the benefit of the sugar producer does not, in any sense of the word, cost the Government a penny.

Mr. DICKSTEIN. Will the gentleman yield at that point?

Mr. SPEARING. Yes.

Mr. DICKSTEIN. But the consumer will have to pay for it eventually.

Mr. SPEARING. I will come to that in time. I said it does not cost the Government a penny. This House has passed an agricultural bill authorizing the appropriation of \$500,000,000 for the benefit of the agriculturist or the farmer. That costs the Government a great deal. True, it may be said that the hope is the \$500,000,000 will come back to the Government, but none of us believe that it will, even though we may hope that it will. It will cost the Government just as much as the Government loses, and the ultimate consumer must pay it. The ultimate consumer may not know that he pays what the Government gives up, but the fact is that nevertheless he does.

It has been said, just as suggested by the gentleman from New York, that the consumer pays the increase in the price of sugar which may be raised as a result of this increased duty, should the bill pass as it is now proposed.

That is not entirely so because as a result of that increase in the price of sugar the Government has the benefit of the tariff which to the consumer offsets the increased price of his sugar.

Mr. GLOVER. Will the gentleman yield?

Mr. SPEARING. I will.

Mr. GLOVER. Is it not a fact that you want the tariff raised on sugar to prevent foreign sugar coming in so that you can get a better price?

Mr. SPEARING. Certainly.

Mr. GLOVER. I represent something like 200,000 people engaged in agriculture. I would like to have you tell me how an increase in the price of sugar will help the people of my district?

Mr. SPEARING. What does your district produce?

Mr. GLOVER. Everything but sugar.

Mr. SPEARING. That is what I want to know. The Government appropriates \$500,000,000 for the benefit of the farmers who raise everything but sugar. What is the purpose of the farm relief bill except to give the agriculturists an increased income over that which they now have for what they produce? When you give the farmer an increased price for that which he produces you put the cost on the consumers of these goods. If the gentleman's theory and logic be correct, and he votes against the tariff on sugar because his people do not raise any of that product, and I vote against the tariff on things which they produce because our people do not raise any of it, we are

at a standstill, we have a stalemate. [Applause.] So, if he wants relief for his agricultural products, give us relief for ours; and we will go hand in hand and help everybody. [Applause.]

Sugar has been a basic product, if not a major product, for more than a century and a half. Long before some of the States whose Representatives are here decrying against sugar became States we were producing sugar in Louisiana. Long before some of the States whose Representatives here are now protesting against it ever thought or dreamed of being States, or ever thought that the wilderness that pervaded their country would be removed so that they could be States, sugar was being raised in Louisiana.

Sugar has always been a source of revenue. In the days when the Republican Party was strictly a protection party for protection sake, and the Democratic Party was a party for a tariff for revenue only, sugar was the subject of tariff, because it is one of the sources of great revenue and always has been not only in this country but other countries.

When the Democratic Party was strictly a tariff-for-revenue-only party, the Democrats voted for a duty on sugar because it was a source for great revenue.

Mr. SCHAFER of Wisconsin. Will the gentleman yield?

Mr. SPEARING. I will.

Mr. SCHAFER of Wisconsin. If sugar is retained on the dutiable list, as in the pending bill, will the Democrats from Louisiana vote for the bill?

Mr. SPEARING. Speaking for myself—I do not undertake to speak for anybody else—I state positively and definitely, yes. [Applause.] I know I can also speak in that respect for my colleague Mr. O'CONNOR—I do not undertake to speak for the others, for I have not been informed.

All us protective Democrats, if you will, many more than are now present, heard a magnificent Democratic speech from a fine Republican from Pennsylvania this morning. I was tempted to ask him to allow me to interrupt him and offer him one of the vacant seats on the Democratic side. [Laughter.] Because that is where he belongs. His doctrine is so democratic that he ought to be with us, and we welcome men of ability as we would welcome his vote.

Mr. DENISON. Will the gentleman yield?

Mr. SPEARING. I will.

Mr. DENISON. We would be very glad if the gentleman from Louisiana would come over and sit with us.

Mr. SPEARING. You could have worse.

Now, I have said that sugar is a source of revenue. Mind you, the apparent duty on sugar is 2.20 cents a pound, but that is only theoretically correct. It is on paper. Because sugar brought from our Territory of Hawaii pays no duty. Sugar from the Philippines, one of our possessions, pays no duty.

Sugar from Porto Rico pays no duty, and they are large producers of sugar and shippers of great amounts of sugar to this country. Sugar from any of our possessions does not pay duty. The only sugar that pays a duty is that which comes from foreign countries. Sugar from Cuba pays a duty of 2.20 cents less 20 per cent, or 0.44 cents. Therefore that sugar pays only 1.76 cents and a fraction. Therefore when we say that the present tariff is 2.20 cents we distort the facts as they actually exist. The truth is that the sugar which comes into this country from foreign countries that pays the full duty of 2.20 cents is less than 1 per cent of the total importations, and is, therefore, negligible and should be entirely discarded. The provision in



the proposed tariff suggests an increase of eighty one-hundredths of 1 cent; that is, an increase from 2.20 cents to 3 cents. That is not basically correct, because, bear in mind, the large importations from Cuba pay 20 per cent less, and therefore the increase in the duty is really only 0.64 cents.

It is said that this will increase the price of sugar on the breakfast and dinner tables. I heard somebody yesterday say that if this tariff prevails, and you put your spoon in the sugar bowl you must realize how much greater price you are paying for the sugar than you have been heretofore, and it was said then that the per capita consumption of the sugar in this country is 100 pounds per year.

Mr. LAGUARDIA. One hundred and four pounds per year.

Mr. SPEARING. Let us take the round figure, 100 pounds. The figures that I have are 60, but I am willing to accept 100 pounds. One hundred pounds per capita per year with an increase of 0.64 cents means 64 cents a year per capita increase, and people raise up their hands in holy horror because it is proposed to increase the revenues of the Government \$40,000,000 or \$50,000,000 a year by a tax of 64 cents per year per capita. That is the situation. It is not worthy of serious consideration. The gentleman from New York said that it is 104 pounds instead of 100 pounds per capita. I have not the time now to calculate whether it is 65 cents a year or 64.25 cents a year, but the difference is immaterial. It is absolutely negligible.

I have said that the revenue is great and has been great from sugar. In 1924 the revenue from sugar alone was \$135,000,000, in round figures; in 1925 it was \$139,000,000; in 1926 it was \$145,000,000; in 1927 it dropped to \$130,000,000, and in 1928 it dropped to \$117,000,000. It is estimated by competent and reliable people that the increase of revenue under the proposed increase of tariff will be from \$40,000,000 to \$50,000,000 per year. That will go very materially to help pay the \$500,000,000 that you have authorized for appropriation for farm relief. You say that it is going to increase the cost. Of course it will, but the wheat and the corn and the barley and the rye will also increase or advance in price under the proposed arrangement. That is the very purpose of this special legislation. It is to increase the returns of the farmer and you can not do that without making the ultimate consumer, you and me and all of the others, pay for it; and if we pay for your increased returns to the farmer, I ask in all seriousness and good conscience why you should not pay for the increase of ours. Oh, but it said, you are not producing much sugar. Why? Because you have not given us the proper protection. We have a large area in Louisiana capable of being cultivated in sugar-cane, and I understand that the beet-sugar people have a large area additional which they could devote to cultivation of sugar beets. The reason I do not refer to beet sugar is not because I am opposed to it, but on the contrary we welcome beet sugar or any kind of sugar that this country will produce. I am more familiar with cane than with the beet, and the beet sugar has a great many more advocates here than has the cane sugar.

You give us a fair duty on sugar and the increase of area cultivated in Louisiana will be very great. Sugar will grow down in Florida and in southwest Louisiana at least to Texas, and in the Rio Grande Valley of that State. In the Rio Grande Valley the possibilities for agriculture and especially for sugar are very great. It may not be known generally—it was not to me, though I live in that section of the country—that the Rio Grande Valley is comparable in latitude with the State of Florida. The lower end of Texas compares in latitude and, therefore, in climate with the lower end of Florida. As we are gathered here in special session for the express purpose of increasing the revenue of the farmer we say to you in all seriousness, for Heaven's sake, do not rule out the poor sugar farmer, who has been struggling for years there and has very great capital investment, and is now only coming into his own. We are told that our production of sugar has decreased of late years. That is true, because unfortunately, not through the fault of the farmer but because of conditions which he could not foresee and therefore could not prevent, a disease called the mosaic disease attacked the native cane. I am told by those who are familiar with it that the effect of the mosaic disease on sugar cane is the same as that of malaria upon human beings. It simply saps the lifeblood. The result was that although the cane had a live appearance, when it came to the time of grinding it to get the sirup out and convert it into sugar or molasses, the strength was not there, the blood was not there, and our production of sugar decreased and the price was low. But of late years, and just at the present time, we have come into our own with species of sugar, some three of them, from Java, that are rehabilitating the industry.

Mind you, that Java cane was introduced only about five years ago. It is necessary to plant cane at least every other year.

Mind you, you can not plant cane by taking a seed out of the ripened product as you can with fruit and vegetables. We must take the stalk of cane itself and plant the stalk. It is cut up into strips of three or four or five joints and laid lengthwise in the ground, and then it comes up from the seed at the joints.

That, of course, reduces the amount of cane that can be ground, and it curtails the possibility of planting it, so that when this Java cane was first introduced only a few stalks, comparatively speaking, could be planted, and those who planted it preserved the ripened product for the next planting. Now, we have about enough Java cane to plant all the present available area of ground with that cane, with a result that while the product in 1927 was 70,000 tons of cane sugar in Louisiana, in 1928 it was 165,000 tons.

And if you gentlemen of the Congress, this House and the Senate, will give us protection, before long we will have at least a product of 300,000 tons. We must have the protection because our labor is highly paid labor. Somebody said it is negro labor. Yes; but negro labor in Louisiana gets good wages, and they continue to get it. The trouble about negro labor in Louisiana is that some of the other States are taking our negro labor away from us. But whether negro or white labor, we pay them good wages on the farms under all conditions, and they are properly treated. And therefore if you will give us this protection we will see to it that before long we shall have a sugar-cane industry that the country will be proud of, and with the increase in the beet-sugar industry we shall soon be able to produce in this country all the sugar that we need. We should do it. We should not be at the mercy of any alien people or any foreign country. We should have either within the United States proper or our outside possessions the ability to raise for our own benefit all the sugar that the United States consumes. There are about 20,000 farmers growing sugar cane and at least 300,000 persons interested directly and indirectly in the industry.

Bear in mind that the real objectors to this increase of price are not the heads of families; they are not the people who put sugar in their coffee or their tea. It is the commercial interests. It is a fact that only a small proportion of the sugar that is raised and imported into this country is used for household purposes. It goes to the candy manufacturers. It goes to the soft-drink man. They are opposed to the duty, but the increase in the price of sugar to them is so small that it will be absorbed in their profits. Take the soft-drink man: There is not a manufacturer of soft drinks who has not made an immense amount of money in the past few years.

Mr. HOUSTON of Hawaii. Mr. Chairman, will the gentleman yield?

Mr. SPEARING. Yes.

Mr. HOUSTON of Hawaii. Have the prices of soft drinks decreased in the years when the price of sugar was reduced?

Mr. SPEARING. No; nor will it be increased by this sixty-four one-hundredths of a cent duty on imported sugar from Cuba. That is all that we are asking. Those people that I have mentioned are the principal users of sugar. The manufacturers of candy and cakes will not be seriously affected. The Coca-Cola people have made millions and millions of dollars in recent years because of the low price of sugar. They will not increase their price. They will not decrease the content of their drink, nor the quantity of the drink. It is the same way with the ice-cream man and all down the industrial line. So that all this talk about increased cost to a family, with all due deference to the gentlemen and gentlewomen who make it, is pure and unadulterated bunk. It does not exist. The price of sugar is only about 15 per cent above pre-war prices while meat and other articles of food are from 100 per cent to 200 per cent higher.

You may have 64 cents increase per capita on sugar on the breakfast and dinner table, in the home. That is the highest that is claimed for it; 64 cents, not in a day or in a month, but in a year; a little more than 5 cents per month to help the farmer, and that is what we are called here for, to help the farmer; and when we do that, let us help all of them, and not a chosen few. [Applause.]

#### ANNOUNCEMENT—REPUBLICAN CONFERENCE

Mr. HAWLEY. Mr. Chairman, I yield myself one minute.

The CHAIRMAN. The gentleman from Oregon is recognized for one minute.

Mr. HAWLEY. Mr. Chairman, this is purely a matter for this side of the House. Under the organization of the Republican conference some time ago I was authorized to recall the conference. The conference is recalled to meet at 10 o'clock to-morrow morning in this Chamber. [Applause.]



## THE TARIFF

Mr. CANFIELD. Mr. Chairman, I yield 20 minutes to the gentleman from South Carolina [Mr. FULMER].

The CHAIRMAN. The gentleman from South Carolina is recognized for 20 minutes.

Mr. FULMER. Mr. Chairman and members of the committee, the President of the United States, Mr. Hoover, in a speech at St. Louis last summer, in speaking on the farm question, stated:

Many factors enter into a solution of this whole problem. One is by the tariff to reserve to the American farmer the American market; to safeguard him from the competition of imports of farm products from countries of lower standards of living.

Adequate tariff is essential if we would assure relief to the farm. The first and most complete necessity is that the American farmer have the American market. That can be assured to him solely through the protective tariff.

We heard this same type of statement in 1922 when the Fordney-McCumber tariff bill was up for consideration. The additional statement was made then that the Fordney-McCumber tariff bill would not only save the agricultural interests, but was especially framed to make American labor prosperous. We find, however, that we are now engaged in a special session of Congress for the relief of agriculture, which would indicate that the Fordney-McCumber tariff bill had an adverse effect on agriculture. Certainly it did not save labor, because Mr. James J. Davis, Secretary of Labor for the past eight years and now Secretary of Labor under President Hoover, in a speech some few nights ago over the radio was advocating a large revolving fund to solve the unemployment problem.

We passed in the House some days ago a bill carrying a revolving fund of \$500,000,000 to save the farmers of the country. In the policy set forth in that bill you will find that it corroborates in the statement made by President Hoover, and the advocates of this tariff bill; that is, American markets for American farmers. But you will not find anything in the bill that will give to any farmer on any farm, commodity-tariff protection. I went before the Ways and Means Committee, along with my colleague, Mr. Jones of Texas, and several others, asking for a tariff on jute and jute products imported from India into the United States, to the extent of a billion pounds during the year 1928, which is equal to 2,000,000 bales of cotton, which would be the greatest farm relief as far as the cotton farmer is concerned that could be given to the great cotton-producing South. Instead of giving us this protection you have increased tariff duties on the importation of textiles, which will not amount to very much as far as the textile mills of America are concerned, but will be an added expense to cotton farmers and the rest of the consumers of cotton goods in America. In direct competition to the cotton mills in America that manufacture coarse cotton goods, the following yardage of jute burlap has been imported into the United States, increasing annually, as will be shown by the following figures:

Year:	Yards
1894	66,426,200
1899	187,465,744
1904	357,649,900
1909	591,670,742
1914	669,563,399
1920	1,008,518,000
1924	1,006,505,190
1927	1,052,650,612

As stated a few minutes ago, a billion yards of jute burlap was imported during the year 1928 at the expense of cotton and hemp farmers, and cotton and hemp manufacturers. A billion yards of jute burlap is equal to 600,000,000 pounds of low-grade cotton, or 1,200,000 bales of cotton. Eighty per cent of this billion yards of burlap is manufactured into bags here in the United States, and the other 20 per cent is used for various purposes.

Mr. O'CONNOR of Louisiana. Will the gentleman yield?

Mr. FULMER. Yes.

Mr. O'CONNOR of Louisiana. Does the gentleman think that under the rate fixed in this bill the manufacturers of jute bagging can compete with the Asiatics who have factories in India and other places?

Mr. FULMER. Well, I am not sure about that. I will say to my colleague that our people will be unable to use this low-grade cotton [indicating], which largely fixes the price of the better type of cotton, for cotton bagging, and bags, and twine, until the time will come when the folks who have to do with the writing of a tariff bill will take into consideration the real facts and give to my section of the country the same kind of protection given to other sections of the country.

Besides this, 40,000,000 additional bags manufactured from burlap in foreign countries are imported into this country. It is claimed that 80,000,000 pounds of jute products are used in

the manufacturing of carpets, and that if a duty is placed on jute and jute products it would put the carpet manufacturers out of business. If you will read the statement of A. H. Wright and George Hartman, appearing before the committee in behalf of the hemp growers of Wisconsin, you will not agree with the manufacturers of carpets in that statement. Cotton and hemp can be used to a much better advantage in the manufacturing of carpets.

Mr. COX. I might say for the gentleman's information that both are now being used.

Mr. FULMER. Yes. The manufacturers of jute twine, in appearing before the committee, stated that cotton twine could not be substituted for jute twine, and that a duty on jute would not help the cotton farmers, but put them out of business to the extent of 100,000,000 pounds. I am not at all surprised at the statements made by the manufacturers who seem to be so deeply concerned about cotton farmers, because it certainly would interfere with their business, and especially the tremendous profits they are making out of these foreign products at the expense of the cotton farmers and textile mills of America.

"American markets for Americans" is a very plausible statement to make while seeking votes of the American people, but means little if we take into consideration the millions of pounds of jute twine that is being used, even by our own Government in every post-office building in the United States. Some time ago I had the matter up with the Post Office Department, with the hope that I could have them use cotton twine instead of jute twine, and although the department stated cotton twine was much better than the jute, still they had to use jute because they could save a small amount by buying the jute twine. If all of this business could be kept at home where it belongs, the effect goes deeper still, for money distributed to farmer, spinner, and weaver does not stop there. It flows on and finds its expression in more groceries, more dry goods, and better homes. It means more radios, more automobiles, and so helps to quicken the pulse of a score of other industries.

With a proper duty on jute and jute products, we would be able to consume at the lowest calculation one and a half million bales of cotton, mostly low-grade cotton, annually more than we consume now, which would not only mean real relief to cotton farmers, but it would mean millions of additional cotton spindles and additional labor for cotton-mill employees. Cotton textiles is one of our major industries. In point of employment it stands third. If we include those engaged in raising the raw material it stands first. Nearly half a million people work in our cotton mills and 2,000,000 more are engaged in growing cotton. In comparison with this two and a half million people whom you have refused protection to and who are struggling to give to the United States this most important farm product, cotton, you have accepted as facts statements made by the manufacturers of jute located in this country and in India.

American Manufacturing Co., Brooklyn, N. Y., F. H. Filley, president.

Barbour Flax Spinning Co., New York, N. Y., Robert Barbour, president.

Chelsea Fibre Mills, Brooklyn, N. Y., Paul T. Wise, vice president.

Columbian Rope Co., Auburn, N. Y., H. G. Metcalf, president.

Dolphin Jute Mills, Paterson, N. J., S. C. Evans, vice president.

Ensign-Bickford Co., Simsbury, Conn., John R. Ensign, president.

Hanover Cordage Co., Hanover, Pa., John N. Greenaway, Jr., president.

Hoover & Allison Co., Xenia, Ohio, George Little, vice president.

Thos. Jackson & Son Co., Reading, Pa., Edward H. Jackson, president.

Ludlow Manufacturing Associates, Boston, Mass., Malcolm B. Stone, treasurer.

Morice Jute Mills, Philadelphia, Pa., John H. Morice, president.

Revonah Spinning Mills, Hanover, Pa., Russell M. Shafer, president.

Schlichter Jute Cordage Co., Philadelphia, Pa., F. E. Willsher, president.

Wall Rope Works, Beverly, N. J., C. F. Wall, secretary.

Wilmington Jute Mills, Wilmington, Del., Alex. F. Crichton, president.

Without protection, how can we use cotton for twine, burlap, bagging, and many other uses where we now use jute and jute products, with the American standards of living and wages compared with the living conditions and wages in countries where these jute products are produced? The following is an average mill wage per week for workers in India and in southern and New England sections of the United States:



Average mill wages per week

Occupation	Bengal	Southern	New England
Carders.....	\$0.94	\$13.20	\$18.10
Spinners.....	1.62	12.23	18.50
Weavers.....	2.98	18.81	22.08
Average.....	1.80	16.65	21.24

The daily wage of the East Indian farmer is 16 cents per day, and a man and a pair of bullocks may be employed for 40 cents per day. They work a lot of women, as we do in the South, and pay them off with the refuse bark and cores or shives of the plants stripped, which they take home for fuel. If we could pay our southern women for picking cotton by giving them the cotton stalks that we leave in the cotton field and the farmers take the cotton, perhaps we would not need any protection.

Almost alone agriculture and textiles have lagged behind during a period of prosperity surpassing anything America has ever known. Cotton mills making coarse cloth have struggled in vain to meet increasing competition of this foreign jute burlap manufactured in a foreign country. Their warehouses are choked with goods. They have had to run part time, thousands of their employees being out of work and on the streets, the price of cotton going down and cotton farmers losing their homes.

The Ludlow Associates, jute manufacturers, appearing before this committee, acted as if they were representing and speaking for the cotton farmers and cotton mills. The Ludlow Associates do not only control the jute mills of America but have moved part of their machinery to India, where they can employ cheap Indian labor, leaving American labor jobless.

Under your protected policy I want to say that it is a shame and a disgrace to allow one man, Mr. Malcolm B. Stone, of Boston, Mass., speaking for the Ludlow Jute Trust, appearing before your committee, to dictate to you as to what you should do for or to cotton farmers and cotton mills in writing your farm tariff bill. Again it is New England speaking, and the farmer loses—gets no relief. I want you to know that when you take dictation from Ludlow in writing your tariff bill you are favoring a very small group, working about 11,000 people, with a capital of about sixty-five million, and have slapped in the face 6,000,000 good Americans who manufacture cotton, grow cotton, and are employed in cotton mills. You are legislating against an American product valued annually at one and a half billion dollars, to say nothing of its by-products.

Let us see who appeared before the Ways and Means Committee, testifying in the interest of agriculture and textile mills of the South: Col. Harvie Jordan, of Greenville, S. C., secretary of the American Cotton Association, and who knows more about cotton and how jute is paralyzing the cotton South than Mr. Stone or any other man who appeared before your committee. I want the members, especially my Republican friends from the West, to read Colonel Jordan's statement before the committee, because I want you to know the truth on this very important subject.

I am now reading from the Manufacturers' Record, of Baltimore:

Take the importation of jute, which has been increasing annually very heavily. It comes into direct competition with southern cotton and southern cotton goods. Jute burlap comes in direct competition with manufactured cotton products of the South, and thus deprives cotton manufacturers and cotton growers alike of a fair degree of protection.

All of the cotton textile associations have passed resolutions favoring a duty on jute except, perhaps, the New England mills, and at least half of these are for a duty. Mr. Amory, who is vice president of the New England association, is also a part and parcel of the Jute Trust, and he therefore has a selfish interest in the matter. He appeared before the committee against a duty on jute. The following are resolutions adopted by cotton associations favoring this duty:

Resolutions adopted at the special meeting held at Greenville, S. C., on March 26, 1929

Whereas the present tariff on jute cloths and bags is so low as to encourage their importation into American markets to the detriment of American grown and manufactured cotton textile products: Therefore be it

*Resolved by the American Cotton Manufacturers Association, in special session assembled, That it does hereby fully indorse the efforts that are being made to secure a tariff schedule on jute cloths and bags embodying proper differentials above the tariff rates on the jute yarns of which such cloths and bags are manufactured; and be it further*

*Resolved, That this association hereby instructs its tariff committee appointed by the National Council of American Cotton Manufacturers to this effect and importunes the members of the Committee on Ways and Means of the House of Representatives and of the Finance Committee of the Senate to give serious consideration to this relief prayed for; and be it further*

*Resolved, That a copy of these resolutions be sent to President Hoover and to all members of the Senate and the House of Representatives.*

THE AMERICAN COTTON MANUFACTURERS ASSOCIATION,  
W. M. MCLAURINE, Secretary and Treasurer.

#### HIGHER JUTE TARIFF

ATLANTA, March 18.—The Cotton Manufacturers Association of Georgia has gone on record as indorsing the efforts being made to increase the tariff on jute and jute products. In a resolution unanimously passed at a recent meeting of the executive board, the congressional representatives of Georgia and the American Cotton Manufacturers Association are urged to support efforts in that direction.

The resolution reads in part:

"Whereas during each year there are imported into this country great quantities of jute and jute products, which invade the American market and take from American farmers and textile manufacturers and workers a market rightfully their own; and

"Whereas this importation of jute and jute products has steadily grown each year until to-day it is almost completely stopping the outlet for certain American-grown fiber; and

"Whereas the exceedingly low living standards and the low wages paid for native labor in those countries from which jute and jute products are imported permit a very low cost of production and manufacture; and

"Whereas the present tariff on jute and jute products is so low as to permit the importation of these products into American markets, to the detriment of American grown and manufactured textile products; and

"Whereas the enactment of such a tariff would be of great value and benefit to the cotton farming, marketing, and manufacturing industry of Georgia and the United States: Therefore be it

*Resolved by the executive board of the Cotton Manufacturers Association of Georgia, meeting in executive session on March 5, 1929, That this board does hereby fully indorse the efforts that are being made to increase the tariff on jute and jute products.*

I doubt if there is a Member of Congress here representing the South but who will tell you the importation of jute and jute products is destroying the great cotton industry in the South, yet Mr. Stone, from New England, has spoken for the Jute Trust, and a Republican Congress says "No," and the South loses.

Listen to this statement made by the president of one of the largest cotton mills of the South, Mr. Alex Long, Arcade Cotton Mills, Rock Hill, S. C.:

A proper duty on jute cloth would be a great help not only to manufacturers of cotton goods but to the cotton farmer, as it would increase the demand for cotton and enable the farmer to get a better price for his product.

Unless the above duty is adopted, we see no future for cotton mills on coarse and medium numbers of yarns, and as there are already too many fine-goods mills there is no opportunity to change over to finer numbers.

I am herewith quoting from a letter I received from Mr. Thomas I. Charles, president of Conestee Mills, Conestee, S. C.:

At Conestee we are now making about as fine goods as we can possibly make without spending a great deal of money in buying new machinery of a different type to replace our present machinery, and we employ about 350 people and consume between 6,000 and 7,000 bales of cotton per annum when running full. When we have to run on half time on account of lack of demand for goods, naturally we only use half as much cotton as we would use if we ran on full time, and if we ran on the coarse goods that we used to make we would consume a great deal more than six or seven thousand bales of cotton per annum. If something could be done about this jute situation it looks like it would greatly increase the consumption of cotton, and naturally increase the demand for cotton, which would help the farmers as well as the cotton-mill people.

Mr. O. L. Williams, a very prominent manufacturer and owner of the O. L. Williams Veneer Co., Sumter, S. C., makes this statement contained in a letter received from him some time ago:

I have often wondered why the people of the South would cover their bales of cotton with jute and then complain of the low price of cotton. The only way to remedy these matters will be to put on a high tariff on jute and jute products.

I am quoting herewith a very interesting statement made by Mr. T. H. Thurmond, of Louisiana, clipped from a Louisiana newspaper some time ago:



Twenty-five hundred years ago God made King Nebuchadnezzar eat "grass" like an "ox." For 150 years "Johnnie Bull" has made "Uncle Sam" eat "grass" like a "jackass," and there are many "Cotton States," "Democratic," "jackass" Representatives in Congress willing to continue the "diet." This may be the reason the "Democratic Party" is labeled by Great Britain as a "jackass." All "grass-jute" money is deposited in the banks of India for account of Great Britain.

Ill fares the land, to hastening ills a prey,  
Where "ill-gotten gains" accumulate and men decay.

At this point I am going to insert in the RECORD a statement of the Ludlow Manufacturing Associates, which will show the connection of Malcolm B. Stone and Robert Amory with the Jute Trust and why they are defending the farmers before the Ways and Means Committee:

#### LUDLOW MANUFACTURING ASSOCIATES

Emor H. Harding, president; Malcolm B. Stone, treasurer; Henry C. Greenough, secretary.

Trustees: Robert Amory, Francis H. Appleton, jr., Malcolm Donald, Henry V. Greenough, Emor H. Harding, Rodman P. Snelling, Sidney Stevens, Philip Stockton, Malcolm B. Stone, Charles Walcott, Moses Williams.

Net worth, Dec. 31—

1923	\$23,009,942.58
1924	23,955,052.43
1925	25,073,025.55
1926	25,385,697.71
1927	26,063,263.19
Net earnings:	
1925	2,516,000.00
1926	2,105,000.00
1927	2,237,000.00
1928	2,442,000.00

#### Shipments from Calcutta

Season	Long jute	Cuttings	Total
	<i>Bales</i>	<i>Bales</i>	<i>Bales</i>
1921-22	83,420	12,028	95,448
1922-23	152,365	250	152,615
1923-24	158,132	2,476	160,608
1924-25	116,227	15,689	131,916
1925-26	143,280	17,589	160,869
1926-27	122,475	37,473	159,948
1927-28	107,347	21,367	128,714
Total	883,246	106,872	990,118
Average season	126,178	15,267	141,445
Average season, in pounds	50,471,200	6,106,800	56,578,000

Subsidiaries: J. E. Barbour-Allentown Corporation, operating the following businesses recently acquired:

J. E. Barbour, Paterson, N. J.  
Allentown Spinning Co., Allentown, Pa.  
Southerland & Edwards Co., Paterson, N. J.  
National Net & Twine Co., Moodus, Conn.  
Ludlow Georgia Bagging Co., Savannah, Ga.  
Ludlow Jute Co., Chengail, India.  
Ludlow Sales Corporation.  
Ludlow Manufacturing Co.  
Smith & Dove Manufacturing Co., of Andover, Mass., recently acquired, is to be operated as a division.

The following statement, taken from the financial journal Capital, of Calcutta, India, will give you more nearly the real reason why Ludlow and his gang are opposing the tariff on jute and jute products:

In American currency, the total invested ordinary capital (common stock) of this group of jute mills is \$50,279,092. Earnings for the last complete year—of 1927—were \$20,767,933, or 41.31 per cent, on the outstanding common stock. Average common earnings for the eight years, 1920 to 1927, inclusive, were \$18,496,198, or 36.79 per cent.

The total market value of these common or ordinary stocks is \$197,535,150, or approximately four times the original investment. There are 48,888 looms in these mills. Earnings in 1927 were about \$452 per loom.

Mr. COX. Is that the statement showing the average annual profit?

Mr. FULMER. Yes.

Mr. COX. In the interest of the gentleman's statement and in order that it may have the full force it is entitled to, permit me to make a correction of a statement which the gentleman inadvertently made a few moments ago as to the capitalization of the Ludlow associates. It is not \$65,000,000. Their capital stock is \$12,100,000. They did claim, however, that there is \$65,000,000 invested in the jute business in this country.

Mr. HALSEY. Will the gentleman yield there for a question for information?

Mr. FULMER. Yes.

Mr. HALSEY. What attitude do the flour mills and feed mills take on this question of a tariff on jute in regard to the manufacture of bagging?

Mr. FULMER. I would like to say to the gentleman that about a year ago the Textile Institute of New York became interested in this matter so as to use more cotton, and they had the matter up with the wholesale-grocery people of the country and they were sympathetic and absolutely anxious about it and said that in a great many instances they could use cotton bags to much better advantage than they could jute bags, and so far as the wholesale grocers and the retail people are concerned they would be delighted to have it.

I will say to the gentleman that in my own district, Sumter, S. C., one fertilizer concern bagged its fertilizer and sold it to the farmer in cotton bags at a cost of about 50 cents to 75 cents additional per ton, and they wanted to continue to do this, as well as some other concerns, but they can not do it in competition with the fellow who continues to use the burlap bag that comes from India.

Mr. COX. And the Southern Wholesale Grocers Association recommended the adoption of the proposal that the gentleman makes.

Mr. FULMER. Yes.

My friends, this is the burlap bag [indicating] that is imported from India, and something like 80,000,000 of them are manufactured in this country and forced upon the cotton people of the South to put their fertilizer and all other farm products in, whereas it has been tested not only with groceries but with fertilizer and practically every other article that is usually put in burlap bags that the cotton bag can be used to just as great or better advantage and at very little additional cost.

My friends, I want to say to you that my people would not grumble to-day about paying the extra cost you have put upon them with respect to many articles that you have given protection to if you would only put them in a position where they may be able to get a fair price for that which they produce so they can buy that which they need.

Mr. ROBSION of Kentucky. Will the gentleman yield?

Mr. FULMER. In just a moment. A statement was made before the committee by the folks who are interested in this type of jute bag, and it was stated that the cotton bag could not be used for fertilizer because the material would not stand; and yet, my friends, if you will look at the burlap bag you will see that it is sewed with a cotton string, and I will guarantee that the bag will rip anywhere else except where you find this cotton string in this burlap bag.

I now yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. I believe the difference in wages paid in India in the jute industry and the wages paid in this country represent about 4 to 1; is not that true?

Mr. FULMER. Considerably more than that. I expect to insert in the RECORD wages paid in India, New England, and the South.

Mr. ROBSION of Kentucky. If the Congress should place a tariff on jute, would the gentleman feel then that he could support the tariff bill which might be voted upon here in the House?

Mr. COX. Will the gentleman permit an interruption there?

Mr. FULMER. I would like to say to the gentleman that I will not support just any tariff bill you may happen to bring to the House; but if the gentleman will go along with me and give fair protection to every part of the country and every group in the country along with my own people, I will absolutely vote for a tariff bill.

Mr. COX. Does the gentleman from Kentucky propose by his statement to bargain with the gentleman from South Carolina? In other words, does he propose to join with the gentleman from South Carolina and assist in the writing of this proposal into the bill?

Mr. ROBSION of Kentucky. No; I am not trying to bargain with anybody. I am just trying to find out the bent of the mind of the gentleman speaking here on the tariff, whether he just goes to jute and one or two other articles, or whether he is a protectionist clear through. I have been here a number of years and we usually adopt amendments and put tariffs on articles from the South, yet when we come to pass the bill it has almost a united vote against it on that side of the House. That is what I am trying to find out about.

Mr. FULMER. I may say to the gentleman that under the policy we now have and believing it will always be with us, I am absolutely willing at all times to go along with the gentleman when the rates are reasonable and right, and especially if you will give to every section and to every group of people a real tariff protection—not 25 cents on corn and 42 cents on wheat when you know yourself you can not make the tariff apply to these farm products. Under the farm bill that we



passed here the other day, as the gentleman knows, you can not get a copper in the way of an effective tariff on wheat or on corn.

Mr. LANKFORD of Georgia. Will the gentleman yield?

Mr. FULMER. I yield.

Mr. LANKFORD of Georgia. I think the gentleman from Kentucky can get considerable support from this side of the House if he will let us rewrite the tariff items in the bill, although I am not speaking for the Democrats as a whole.

Mr. ROBSION of Kentucky. I am in favor of a tariff on jute; I think it ought to be protected.

Mr. FULMER. I thank the gentleman.

One thing I am unable to understand in the tremendous fight the Jute Trust is making against my net weight cotton tare bill, and the preventing of a duty being placed on jute and jute products, is how the Jute Trust has been able to persuade the Cotton Seed Crushers' Association to join them in sending out propaganda against a tariff on jute. Members of Congress have been receiving letters from this association proposing to defend the farmers in the South by opposing my net weight cotton tare bill, and the placing of a duty on jute. The Cotton Seed Crushers' Association was able last fall to so organize the cotton-oil mills, fix prices and contracts that they absolutely put every independent buyer of cottonseed out of the market and bought cottonseed at their own price. It would appear to me that they ought to be satisfied without combining with the Jute Trust. I quote from a letter received from this association:

There has been quite a bit of agitation in Congress in favor of even a prohibitive tariff on raw jute and jute bagging, the purpose, of course, being to force the use of cotton products in substitution for various purposes for which jute is now used. Included, of course, in this idea is the use of cotton bagging for wrapping cotton bales.

I hope you will carefully read Colonel Ousley's letter, in which he sets out the probable inadvisability of the program of prohibitive tariff on jute. A part of this program involves the Fulmer net weight bill, which provides for only 15 pounds of gross tare being allowed on a bale of cotton, whereas 2-pound bagging and ties weigh 21 pounds. Fifteen pounds of tare will only permit 6 pounds or 1 pound per yard of covering, assuming that the same weight ties are used as is now the case, 9 pounds for each bale of cotton. Any quality of 1-pound bagging to the yard would be flimsy, and the chances are it would not stand the rough usage to which cotton bales must be subjected by reason of the rough handling of square-bale cotton. It is my understanding that 15 pounds of allowable tare even includes patches, to say nothing of the bagging alone. \* \* \*

In answer to this statement, all you have to do is read the report of the Department of Agriculture as to the comparison of 6 yards 5 pounds of cotton bagging with 6 yards 12 pounds of jute that they tested out in shipping a lot of cotton to Germany and reshipping it to the United States last year. India does not use but 5 or 6 pounds of bagging, and does not use a pound of this old wasteful and disgraceful jute that is forced on our people by the Jute Trust.

It will not be long now before these oil mills will own and control all the cotton gins of the South, and they realize that they will have a monopoly in selling jute bagging; therefore you can plainly see that it is a selfish interest on their part. I want you to listen to this, quoting from the same letter:

The United States is the largest consumer of jute in the world, and jute is produced in India in rather a small area. If the United States market is denied to them, they will not be able to find a market for it in other sections of the world to anything like the extent of their production. Therefore, the only thing they can do is to cut down their production, and the most likely substitute would be the planting of cotton in its stead. The net result would probably be an increased production of cotton in India to the extent that we curtail the consumption of jute in the United States, and, as cotton is a world crop, the competition, so far as cotton is concerned, would be the same whether produced in India or in the United States. \* \* \*

This is the same old Jute Trust dope that Ludlow and his cohorts are spending thousands annually in getting out to the people who will write their Congressmen and Senators and repeat them. If the cotton South is willing to take a chance on this false alarm, why should the Jute Trust and oil mills worry?

Republican members of the Ways and Means Committee and the Jute Trust seem to be deeply concerned and fearful of increasing the production of cotton in India and Europe, thereby the refusal on the part of these countries to take our cotton should we cut off the importation of jute. My friends, this propaganda put out by the Jute Trust has been going the rounds for years. Great Britain has spent a mint of money trying to grow a type of cotton that would compete with American cotton, but they are unable to do it. Their cotton

is a very short staple, with the character of their cotton comparing with our lowest grade of cotton, therefore they are compelled to take our cotton to spin and to mix with their cotton for spinning.

Listen to this statement made by Col. Harvey Jordon, of South Carolina, before the committee:

#### THREAT OF GREAT BRITAIN

The argument that if jute and jute products are not allowed free entry into this country that Great Britain will immediately retaliate by largely increasing the India cotton crop and check the exports of American cotton into that country will not hold water. Within the past 60 years Great Britain has expended millions of pounds to induce the expansion of cotton production in India and her other foreign possessions and is continuing to do so. The mills of Lancashire and of India would not use a pound of American cotton if they could secure a similar staple from Great Britain's possessions. On the contrary, 80 per cent of the British spindles use American cotton, and in no other cotton-manufacturing country in the world has the American bale with its jute covering been more severely condemned and denounced than by British spinners. They have for years pleaded for economic package and covered with other than the present heavy and objectionable jute bagging.

The question here for determination is not one reduced to the slight difference in the cost of jute bagging as compared with cotton bagging, but the shutting out of a covering for cotton which is largely responsible for the present heavy economic waste in handling the cotton crop which has saddled upon the growers estimated losses of approximately \$100,000,000 per annum and checked an expansion of the use of American cotton by domestic consumption of over 1,000,000 bales of the staple annually through the enormous imports of jute products. In the South, especially where our mills are so largely engaged in the production of coarse cotton yarns, the enormous imports of jute cloth as a competitor is very seriously felt.

The Seed Crushers' Association, in quoting Colonel Ousley, states:

Should we be successful in placing a duty on jute and thereby consume an extra million bales of cotton which would advance the price of cotton, that because of this increase in price, farmers would overproduce and thereby ruin the cotton industry.

What strange doctrine for a sane man! If this is the case, why an extra session of Congress which was called for farm relief, proposing to pass legislation whereby the price of the farmers' product would be increased?

If the statement of Mr. Ousley is true, why the cotton farmers might just as well give up now and turn the whole business over to India and the Jute Trust. Mr. Ousley and the Jute Trust would have the farmers continue to grow cotton, but at a price that would hold down production, according to his theory, and on practically a starvation basis.

I challenge Mr. Ousley's statement when he states that if we stimulate the price of cotton it will stimulate overproduction. This statement has been very often made in Congress by those who oppose farm-relief legislation and by those who do not know anything about the real cause of overproduction.

I am a farmer and have been all of my life; therefore I am able to speak out of my own experience. In the meantime for several years I did a large supply business, running a general store, supplying the farmers, and I know what they do when prosperity abounds and also what they do when low prices and depression threaten their business. When the prices are good, the farmers work shorter hours, send their children full time to school, and their boys and girls to college. They even take a vacation in the summer like other people. When prices are low, the farmers work longer hours, are unable to send their children to school and college, therefore work them full time in the field. Their taxes, interest on money, and obligations increase. They borrow money, buy more fertilizer if they can get it, and to meet this situation they increase their cotton acreage with the hope of being able to increase their yield; more bales of cotton, more tons of hay, or more bushels of grain, because at the low price it takes more bales of cotton to bring in the total amount of money they would receive on a smaller yield at better prices. For instance, if a farmer's obligations amounted to \$5,000, 50 bales of cotton at 20 cents, a hundred dollars per bale, will pay or meet his obligations; but if prices are depressed to, say, 12 cents per pound, or \$60 per bale, he will need to increase his production to over 80 bales.

In 1927 the Chamber of Commerce of the United States of America, with the National Industrial Conference Board (Inc.), appointed a commission composed of business men and economists to look into the condition of agriculture in the United States and report on same, with recommendation for measures



for its improvement. On page 77 of this report you will find the following:

Deflation on agriculture is especially harmful because it loads the farmer with a burden of overhead charges out of all proportion to prevailing price levels. The turnover of capital on the typical farm is probably not faster than once in seven years. The high ratio of fixed charges to annual income which this involves becomes a crushing weight when deflation sets in. It requires as many dollars as before to pay overhead charges, while the lower prices for farm products yield the farmer fewer dollars to pay them with. Once agricultural prices have definitely fallen, it is a long and hard struggle to restore them again. Producers immediately tend rather to increase than restrict their output in order to make up by volume of sales what they lose in price, and the situation grows worse.

My friends, if the Government would spend more money on research work in new uses of cotton and other farm products, and new markets, we should not worry about the increasing of production of cotton or any other farm product. About two years ago I succeeded in amending a bill introduced by my colleague, Mr. JONES, before the Agriculture Committee, authorizing \$50,000 to be appropriated for the purpose of having the Department of Agriculture do research work in the interest of new uses of cotton. I want you to get this report from the Department of Agriculture and read it. This report will show the advantage of substituting cotton bagging for jute in covering cotton—by an actual test in a shipment of cotton to Germany, covered with jute and cotton bagging. This report also shows that by substitution of cotton bagging for jute bagging we will be able to consume about 200,000 bales of low-grade cotton that would mean an advance in the price of cotton of about two dollars and a half per bale or thirty-seven and a half million dollars annually on a 15,000,000-bale crop of cotton. I am quoting from page 7 of this report and I especially want you to get this:

Tables 4 and 5 indicate the quantity of bags made of materials other than cotton which are used annually by wholesale grocers of the United States and which members of this association think might advantageously be replaced by cotton. The total in round numbers is 329,000,000 pounds. Pound for pound this is equivalent to approximately 787,000 bales of raw cotton.

Nearly a million bales for bags.

Just look what it would mean to the cotton industry if the statement that I am going to quote, given to the committee and contained in the hearings, is true and I am satisfied that it would even mean more because we would be able to use 1,500,000 bales of cotton. I quote:

#### SUMMARY OF ECONOMIC GAIN—DISPLACEMENT OF JUTE WITH COTTON

Increased demand for 1,000,000 bales of cotton would advance price of staple 2 cents per pound on estimated crop 14,000,000 bales, \$140,000,000. Adoption of high density gin compression using cotton cloth as covering for bales would save annually in handling and distribution:

Freight on present tare.....	\$5,000,000
Marine insurance.....	10,000,000
Compression and recompression.....	10,000,000
Land and ocean freight.....	15,000,000
Saving in tare.....	20,000,000
Waste and excessive sampling.....	8,000,000
Saving in "country damage".....	30,000,000

Total savings.....	238,000,000
Estimated loss to growers on difference in price jute and cotton baggings.....	7,000,000

Net gain to growers.....	231,000,000
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As the above items are all fixed charges assessed against the growers they would receive the benefit of economic reform in abandonment of jute bagging and improved methods in baling American cotton.

It is indeed interesting to read the Ludlow report printed in the hearings in regard to India as a cotton-growing and cotton-goods-importing country. According to this statement, one would believe on the one hand that India is the only hope for American surplus cotton, and on the other hand that India is increasing her production of cotton by leaps and bounds, and has not even scratched the ground as to what she can do in the way of producing cotton, yet annually India is increasing her exportation of jute and jute products, destroying America's greatest farm commodity—cotton. If we take Mr. Ludlow's statement seriously, it will not be long before India will be sending in her cotton to the United States also—at least, be able to supply Europe. I am going to place in the RECORD at this point a statement which will give you the annual production of cotton in India from 1923 up to and including 1928, which will also show the consumption of American cotton and exportation of raw cotton.

Year	Production of cotton in India (478-pound bales) <sup>1</sup>	Consumption of American cotton in India <sup>2</sup>	Exports of American cotton to India	Spindles in India <sup>3</sup>
1928-29.....	5,018,000	.....	\$2,625	.....
1927-28.....	4,913,000	138,000	63,708	8,703,000
1926-27.....	4,205,000	350,000	261,849	8,714,000
1925-26.....	5,201,000	10,000	66,659	8,510,000
1924-25.....	5,095,000	12,000	541	8,500,000
1923-24.....	4,320,000	4,000	.....	7,928,000

<sup>1</sup> Indian Department of Statistics, Calcutta.

<sup>2</sup> International Federation of Master Cotton Spinners.

<sup>3</sup> Bureau of the Census, U. S. Department of Commerce.

<sup>4</sup> To February 15, 1929.

You will note from this that India's production of cotton is running from 4,320,000 in 1923-24 to 4,205,000 in 1926-27 and 5,000,000 in 1928-29. Practically no increase of production over this period of years. In the meantime the consumption of American cotton in India increased from 400 bales in 1923-24 to 350,000 in 1926-27. Also the exportation of American cotton to India increased from 541 bales in 1924-25 to 261,000 bales in 1926-27. In 1927-28 the total consumption of American cotton goods in India and the total amount of raw cotton exported to India amounted to 200,000 bales. The Agriculture Department in its report on New Uses of Cotton states that we will be able to use about 200,000 bales of cotton for covering our cotton if we were able to substitute cotton bagging for jute, which would equal the amount of American cotton used by India. Mr. Ludlow's statement contains much about India's cotton business which would tend to cause those of you who do not know the real facts to think that there might really be some merit in the Ludlow statement. If you will read the statement on page 8547 of the hearings you will note that he confirms my statement when he states:

British India is the world's largest market for cotton piece goods—

Now, listen to this—

but that country is importing less cotton than what it did in 1913-14.

As stated a few minutes ago, India exported into the United States in 1914, 66,563,399 yards of jute burlap, but in 1928 the importation of jute burlap had increased to over a billion yards. Now, my friends, what are you going to do about it? Continue to furnish India millions of American dollars for her jute, thereby help her increase her cotton production at the expense of America's great cotton industry and my people, or will you extend to the cotton farmers of the South the same protection that you have given other special groups?

I want to pay my respects to a Mr. Fitzhugh, who appeared before the Ways and Means Committee protesting against a tariff on jute and jute products. Mr. Fitzhugh is from Vicksburg, Miss., and states that he represented the chamber of commerce of that city. I am extremely sorry that we still have in the South men who are willing to join hands with the Jute Trust at the expense of the cotton South, of millions annually. He is also against my net-weight sale of cotton bill, which proposes to substitute cotton bagging for jute. He states:

Our association is composed of merchants of Vicksburg, and all of them are vitally interested in the price of cotton and the prosperity of the farmer.

It is bad enough to see Ludlow and his associations come before Congress claiming that they are interested in and fighting the cotton farmers' battles. We all know that their coming and testifying and making statements that they make are because of their own selfish interest, especially when Mr. Fitzhugh coming from the South makes the type of statement that he did, and to close by making this statement:

I think I ought to add, further, that I am a dealer in jute bagging and have been such a dealer for 30 years.

May the Lord have mercy on the women and children of the South, thousands of them toiling day in and day out picking with human fingers one of the greatest farm products in our country, which largely clothes the world. These women and children, because of their situation and perhaps on account of poverty, are unable to come to Congress and demand their rights under the protective policy, yet there are men like Mr. Fitzhugh, who for the sake of the profit that he might be able to make out of this disgraceful jute bagging he has been handling all of these years is willing to sacrifice his people and his country for India and the Jute Trust.



Mr. SUMMERS of Washington. Will the gentleman yield?

Mr. FULMER. I yield.

Mr. SUMMERS of Washington. What would be the retail value of cotton bags holding the same as the jute bag the gentleman has there—say, one holding 2 bushels and a peck?

Mr. FULMER. The bags made from cotton raised in 1926, when we had a lower price than we have now, would cost about 5 cents more than jute bags.

This bag can be made of the lowest type of cotton produced in the South.

Mr. SUMMERS of Washington. Strong enough to handle grain?

Mr. FULMER. Yes.

Mr. SUMMERS of Washington. Then why do you not get in touch with the people in the Northwest, who are paying 12½ and 17 cents apiece for their bags?

Mr. FULMER. I mean that the cotton bag would be 5 cents higher than the jute bag.

Mr. SUMMERS of Washington. I am very much interested in the cotton growers and in that industry, and have been for many years. I know something of their problems; but where your fertilizer is made and shipped only a few hundred miles at most, why are you not able to induce them to use the better bags, the cotton bag, which can be shipped back and refilled two or three times, and this all within a very circumscribed area?

Mr. FULMER. The only trouble about that, like every other item along that line, is that it is mighty hard to get the folks to buy something that will cost a little more.

Mr. SUMMERS of Washington. Then the gentleman can not very much blame the farmer who is 3,000 miles away for buying jute bagging, which costs less than cotton bagging, if his own farmers that produce the cotton can not be induced to buy the cotton bagging.

Mr. FULMER. If the farmer two or three thousand miles away feels that way about it, their representatives ought not to come here and vote for something on our people in the way of increased tariffs, and then not be willing to do the same thing for our people.

Mr. SUMMERS of Washington. I am referring to the product, where you produce the raw material and produce bagging and are still not able to induce the farmers to use it.

Mr. FULMER. The gentleman, Mr. ESTEP, from Pennsylvania, stood on his toes with a smile on his face the other day in making his speech defending Ludlow and his associates and quoted Mr. Fitzhugh's statement with a great deal of pleasure. Mr. Fitzhugh stated that he had never seen a bale of cotton covered with cotton bagging. No; and he never will as long as he and other gentlemen like him from the South are willing to allow the Jute Trust to flood the South with jute and jute products.

I am sure that my speech would not be complete should I fail to place in the RECORD a telegram which I am now going to read to you, received from my district, being one of the many hundreds sent out in response to the request of the Jute Trust. Every one of these telegrams contains the same words, without changing the crossing of a "t" or the dotting of an "i":

COLUMBIA, S. C., January 28, 1929.

H. P. FULMER,

House of Representatives, Washington, D. C.:

Please appear before Ways and Means Committee February 4 and 5, on hearing of proposed duty on raw jute and jute baggings for covering cotton and burlap and protest vigorously against its passage, which would be grossly injurious to our interests and to the interests of the country at large.

These telegrams are usually wired in by cotton ginner who also sell jute bagging, or jute-bagging merchants and salesmen more interested in their profits and jobs than they are in the South. Abraham Lincoln said:

You can fool part of the people all of the time and all of the people part of the time, but you can't fool all of the people all of the time.

Not only are you not giving relief to the agricultural interests in this tariff bill, but you are proposing to take millions annually out of their meager income. Do you think that it will help the farmers to increase the prices on the following: Sugar, lumber, cement, brick, hoes, rakes, pitchforks, dry goods, clothing, and shoes? That is what you are proposing to do, and on top of this, as far as the South is concerned, as I have shown in my argument here to-day, you are proposing to let the Jute Trust destroy my people.

In conclusion, my friends, let me say when I listen to the Republican Members here representing the great manufacturers of the East, and hear them state the many things that this

tariff bill will do for the farmers, like they always do when they want to fool the farmers, and those of you on the Republican side who represent agricultural districts, I am reminded of a passage of Scripture found in the book of Job which reads something like this:

There came a time when the sons of God came to the Lord and Satan came also.

This extra session was called for farm-relief legislation, and for the farmers to come to their Government and their Congress, but in looking over this tariff bill, which will be the farmers' burden, instead of relief for the farmers, it can well be said, "And the manufacturers came also." In the words of Gerald Massey may I say to my people—

O men, bowed down with labor,  
O women, young, yet old,  
O hearts, oppressed in the toilers' breast,  
And crushed with the power of gold;  
Keep on, with your weary struggle,  
Against triumphant might;  
No question is ever settled  
Until it is settled right.

[Applause.]

Mr. ESTEP. Mr. Chairman, I now yield to the gentleman from Pennsylvania [Mr. COYLE].

Mr. COYLE. Mr. Chairman and gentlemen of the committee, I have asked for time and am imposing on the time of the members of this committee to present to you briefly the needs of a district in Pennsylvania which is in many respects a cross-section of the United States. Mining, manufacturing, rail and water transportation, and agriculture; all four give employment to the people of the thirtieth district in eastern Pennsylvania.

Since there has been a Republican Party the people of this district have, with very brief and occasional interludes, sent Democrats to Washington to procure from the Republican Party protection for their industries. It may not be a direct consequence of this fact, and yet this fact and another have remained true up to the present time—namely, industry in this district has suffered from lack of protection.

In 88 congressional districts in the United States there are mills producing cement, but no district has as many mills as the one I have the honor to represent.

In volume and value of slate we lead the country.

In the production of iron and steel we are the home of the second largest producer in the United States and perhaps in the world.

We are one of about six districts in Pennsylvania mining anthracite.

The largest potato shipments and perhaps the best cultivated and most productive farms and orchards in the East are right in this section, which Benjamin Franklin termed "the dry forks of the Delaware."

Through these river valleys and over the mountain tops go three of the great east-and-west railroad highways of travel.

Overhead nightly the lights of the east-and-west air mail from New York to California mark the dawn of a new era in transportation.

Here in the early days was mined the iron ore, which is still recorded in the "red" geography as one of the principal products of Pennsylvania. Here also are located great mills producing miles and miles of silk, which goes into millions of American homes. In the north end of the district is the great Pocono Mountain playground; trout streams and mountain trails through great State forest reserves extend a cordial welcome to the people from the crowded cities. Here also great colleges, universities, and technical schools (not behind the best in the world) send their sons and daughters into the far places, carrying the American methods of fast production and fair play to all the world.

Here in these three counties of Carbon, Monroe, and Northampton, the very capstone of the Keystone State, where an industrious people by the sweat of their brow have wrested an empire from the wilderness, has been produced all that has gone into the skyline of downtown New York.

And yet this district has almost without exception adhered to that party which has preached tariff for revenue only and practised protection for the majority in the South. For almost the first time when a Republican tariff bill was in course of preparation there is a member of the Republican Party with a mandate from these people to help protect the integrity of their own pay roll and give full-time operation to their mines and mills and factories. It is the least a man can do who has been honored, as I have twice been honored at the hands of the people of this district, to interpret and express that district's



needs with what force of authority he gains from them and from his knowledge of their hopes and aspirations to you of the Congress of the United States.

## CEMENT

Cement, in which we lead the world, was given slight protection always until the Underwood tariff of 1913. For the 11 years after the enactment of that law, American mechanical and personal efficiency joined with a world-wide war to protect our American market. In that time, now seven years ago, when there was an effort on the part of the Republican administration to revise and adjust for changed conditions in a war-changed world, there was no imminent need for a tariff on cement. In the reconstruction days in Europe which have followed with the recovery of industry, we have seen great plants built on the foreign ocean shore, which can produce and transport cement to our three great seaboard and sell at a profit from \$0.38 to \$1.16 per barrel less than it can be produced and transported to those same American seaboard from American quarries and mills. An even casual examination of markets and of transportation will serve to convince the most doubting skeptic that the tariff rate of 8 cents per 100 pounds, which is recommended by the committee, will by no means raise the inland price. This industry has lived for several years past under considerable strain to meet, with its own resources, this foreign competition, and sells to-day in those great seaboard cities at a price well under its mill or labor cost of production in order to meet the foreign price.

One-fourth, in round numbers, of all of the cement produced by the mills in this eastern seaboard section must be sold under its cost to keep the foreign mills from entirely gaining that market. The other three-fourths must bring an enhanced price to avoid the sheriff's notice at the end of the year. Eight cents per 100 pounds will permit a price to the American mill shipping to these seaboard cities just under the low cost of the most economically sound and advantageously located mills. With the help on one-fourth of their product sold at less loss than heretofore, is it not more than likely that the inland three-fourths will be sold at lower rather than a higher price?

Continuous uninterrupted operation, which will be further advanced, reduces production costs, and as in the case of every industry—and this industry is no exception—a reduced operating and production cost has always been passed along to the consumer. In support of this statement, I am informed that even in the past few weeks the price on Portland cement at large inland markets is down from 10 cents to 15 cents per barrel below what it was at the time this suggested tariff schedule was presented to the House. It has been a pleasure to have had some part in the presentation of the claims of this industry, and I value the good will to my people that has been evidenced by the consideration that has been shown them.

It is my privilege to represent good farmers of well-kept Pennsylvania farms, as well as workers in the cement plants. I echo the hopes and aspirations of both when I plead for the retention of the committee's rate on cement, and, second, the request of my friend and colleague from Maine [Mr. BERRY] in his request for an increase to three-fourths cent per pound in the tariff on potatoes.

I refer at this point to a memorandum prepared by me on the cement industry, which I have already supplied to the committee members and my colleagues from Pennsylvania, and which for convenience I am inserting at the end of my speech.

## SLATE

The early history of slate was written in this district, and the development of its many uses has come from the intelligence and the forward viewpoint of the men engaged in this industry. Along the eastern side of the Blue Ridge, at varying depths, lie the foliated beds or seams of slate. At Bangor, in Northampton County, these beds come nearest to the surface.

Here working owners have opened up and equipped many quarries and built their mills for finishing. Welsh and Yorkshire men came first, and more recently hard-working Italians from the marble and slate quarries of Italy.

Each in turn has adapted himself to American ways and availed himself of the privilege of American citizenship, and regards highly both the privilege and the obligation that this imposes. Individualists they have been very largely, and the working proprietor has often gone with his men from the quarry to complete a roofing job in the cities and towns surrounding.

These quarries and mills have grown up and passed from father to son for several generations, with the toil of each generation added to the accumulated invested capital. There has been until recently but little cooperative endeavor within the trade, and in the last 15 years the slate industry has seen considerable aggregations of capital and the expenditure of this

capital in colored-ink advertising take from them much of their city market. Manufactured fireproof shingles, in most cases less artistic and less fireproof than slate, and sold by virtue of this advertising, oftentimes at a higher cost than slate, have forced them into a cooperative endeavor within the industry to present the merits and beauties of their product.

Just as they are beginning to make considerable advance cooperatively within the industry, and regain for themselves their natural markets, they find at their doors a new and hitherto unknown danger. Norway, Italy, and France, through their salesmen, finding that the product of their slate quarries gets lower tariff duties than any other quarried product from their countries, have begun to solicit our American markets and have sold in those markets an amount of blackboard, roofing, and structural slate sufficient to be entirely alarming, and at prices not more than one-third of the American cost of production and transportation. These importations, thus far, have not been large in their aggregate value, but unless all signs fail the industry without further tariff protection is facing very serious times in the years that are just ahead. An increase by this House to 30 per cent ad valorem, instead of 15 per cent as carried in the committee's report, will go at least half way toward enabling this industry to meet the importers' quotations; the industry itself would go the other half way, and perhaps also the American buyer would aid in the interest of the American worker.

The thought that a tariff on importations can or will raise the price on this building material outside of the seaport area will not stand even a casual scrutiny. On this, as on cement, the very considerable increases in rail freight transportation charges within the United States in itself acts at the same time to admit the overseas product to Boston, New York, and Philadelphia at lower prices than it can be transported from Pennsylvania to these cities and also to prevent the importations from finding their way back to or beyond these eastern mills.

A great industry, owned by a large number of working proprietors, employing a considerable number of fellow workmen, will be protected, and no established business or industry will lose any considerable profits or investment of the past. Defer this increase, and in five years we will find the slate importers entrenched to guard their profits, even as they have come to this Congress with all the force and power of their accumulated wealth to defeat a protective tariff rate on cement and other items. If we defer that action, it will be no health doctor or even emergency surgeon that will be required, but perhaps the mortician, who comes last to carry out and bury an industry that died from neglect. If we act to-day, it is as the modern doctor would act, with preventive measures to avoid the ills that otherwise are just around the corner.

My colleague [Mr. ESTERLY] has also been extremely concerned about this industry, and I recognize and welcome his interest; but neither he nor I were Members of Congress during the time when the hearings were had before the Committee on Ways and Means. This is the chief reason I am presenting this matter for the consideration of the House during this debate on the tariff bill. Some of the details of the needs of the industry were presented by me before the committee, sitting on Saturday, May 18, and in that hearing I appeared in collaboration with my friend and colleague from Vermont [Mr. BRIGHAM], who represents the other great slate-producing district in the United States.

The volume and value of slate produced in my district and in the adjoining district of my colleague [Mr. ESTERLY] is more than half of all that is produced in the United States. It is this localized production for which we ask your aid.

It does not seem unreasonable to ask that this rate be increased from 15 to 30 per cent, because in the paragraph just preceding, the rate on all marble, granite, limestone, and other building or surface stone, with the exception of slate, is fixed at 50 per cent, and we are asking for only 30 per cent, which is the very minimum under which the slate industry in the United States can survive.

## ORE SCHEDULE

In asking your attention to Schedule 3—metals and manufactures thereof—I am approaching a subject that is of interest to a large number of the American people. I am endeavoring to approach it with a very sincere desire to cast a little light upon a much-disputed topic. I am asking it not only for the biggest employer of labor in my congressional district and for their more than 50,000 stockholders scattered all over the United States, but for the entire steel industry in this country and for the American consumers of that steel.

At this point I would like to say in response to a question just asked me by my colleague from Pennsylvania [Mr. LEECH],



whose interest in the matter and help in preparing this statement has been considerable, that, while the brief that was presented to the Ways and Means Committee was presented by an official of the Bethlehem Steel Corporation, nevertheless the authority had been delegated to him by the American Iron and Steel Institute, of which all producing steel companies are members and in the compilation of which they all had a part. I do believe that the statement reputed to have been made by the gentleman from South Dakota [Mr. WILLIAMSON] to the effect that the United States Steel Corporation was satisfied to have an increase in this tariff rate is not and can not be in accordance with their wishes and desires; otherwise, they would not have joined in this particular brief.

I am further informed that this method of presenting one brief, with the request from the entire industry, was followed at the express suggestion of a member or members of the Ways and Means Committee. It was indicated to the industry that one brief would be far preferable to individual appearances on the part of all the producers of iron and steel products. I would say further, the Member from South Dakota to the contrary notwithstanding, that I am informed that there have been no refusals to buy domestic produced manganese ore equal in quality and grade which has been offered at a comparable price to similar ore imported from abroad.

Considerations of national defense and public policy come into the discussion of this schedule, and your attention to it will be appreciated. I believe I can answer any fair question when I have finished discussing the schedule, but until I make this statement in full would ask not to be interrupted.

In 1917 and 1918, under the auspices of the Council of National Defense, a very serious effort was made to locate and put in production whatever there was of manganese of a grade sufficiently high to make possible its use in the manufacture of steel. Manganese must go into every ton of steel that is produced. It is indispensable in the production of steel, and no substitute has been found. Strangely enough in the scheme of things, none of the great steel-producing countries of the world have any manganese of moment within their borders and the United States is no exception to this rule. Brazil, Africa, India, and the Caucasus region back of the Black Sea have great deposits of manganese of a quality in its natural state desirable in the production of steel. All steel making countries import the manganese they use. No steel making country, except the United States, taxes that importation.

A concerted effort and a strong appeal for a duty on manganese was put before the committee preparing the Fordney bill in 1922 by a few men who had attempted in the war time to develop manganese production. Pleas for the national defense were forcibly presented by these gentlemen. The amount asked for—1 cent per pound of metallic content—did not seem so big. They made large promises before the House and before the Senate if this duty were given. According to the printed record of the hearings, their official spokesman, Mr. Potts—and I read this promise from page 1682, volume 3, of the tariff hearings before the Senate Finance Committee—said:

If this duty of 1 cent per pound on the metallic content is retained in the bill, the domestic mines will be able to supply from 50 to 75 per cent of the American requirements during the first few years, and eventually the domestic mines would be able to supply the entire yearly requirements.

I would not at this time and in this place bring up this question had it not come to my attention that a number of Members, including a very distinguished Member from Colorado, have but recently appeared before the Ways and Means Committee asking that this tariff of 1 cent per pound be increased to 1½ cents per pound. It is but fair to say that the so-called manganese producers are making exactly the same promises now that they made in 1922. Seven years have elapsed since that promise; seven years during which they have had that 1 cent per pound duty; seven years in which they could start to carry out their promise made to produce 50, 75, or 100 per cent of the country's requirements. And what have they done? They have succeeded in imposing for their supposed protection an annual charge on one of the largest employers of labor in the United States of more than \$8,000,000. This is \$3,000,000 in excess of all of the dollars collected by the Customs Department of the Treasury on all of the manufactured and partly manufactured products which come into the United States in competition with this steel industry. Has the huge price paid by the steel industry advanced the home production of manganese, and thereby provided for the national defense? It has not. For the years 1923 to 1928, inclusive, during all of which time the 1 cent duty was in force, the domestic manganese production represented exactly 5.06 per cent of the country's consumption. I give you the exact figures. And since the 1922 tariff law the Government, through

the Congress, in carrying out an expressed or implied promise of the war-time administration, has paid to these domestic manganese producers all of their established losses on war-time production.

Their reappearance before this Congress, with a further and extravagant request for 1½ cents per pound, is not worthy of your consideration. They advance in support of their plea the same old promises that were worn out in 1922. Again they say that, given 1½ cents, they will shortly produce all that the country needs. They talk in round figures of billions of tons of manganese ore in the United States. Heretofore they have only mentioned millions. They make no distinction between manganeseiferous iron ore, a well-known, much-produced, and much-used commodity—1,200,000 tons of which are annually produced and used in the steel industry within the United States—and ferruginous manganese ore, about 200,000 tons of which are used annually, and manganese ore. They use these figures as a smoke screen to becloud the real facts.

The manganese ore used in the making of steel, the manganese ore that is 95 per cent imported from the Caucasus region, Brazil, Africa, and India, and which does not exist in a natural state in this country in any appreciable amount, and for which there is no substitute in the manufacture of steel, must be about 50 per cent manganese content. We in the United States will use about 1,000,000 tons of this ore in 1929, and all the tons of all the last 25 years produced in the United States is 1,015,000, of which about one-half was produced in 1917 and 1918, which was sold at a price nearly seven times the normal price, and in addition the Government has paid \$2,506,112.36 out of the United States Treasury to these producers as reimbursement of their claimed losses in those years. From the foreign fields, a ton may be mined and transported and go in its natural state into the making of steel. In America it takes from 4 to 10 tons of ferruginous manganese ore of 12 to 20 per cent manganese content in order to produce 1 ton of manganese ore after a costly process of concentration or beneficiation.

There is but a small amount—not more than two years' consumption at the most—of manganese ore known to exist in this country. There have been no new-found sources of supply in the United States or its Territories. The United States Geological Survey and the Bureau of Mines will indicate to any interested interrogator that these are the facts.

National defense and the continuity of operation of the steel furnaces would prescribe that from one to two years' supply of manganese ore be kept on hand and ready for use. That is the policy France has adopted in preparing for her national defense. But if we attempt it in America, industry would be obliged to keep twice \$8,000,000 impounded in advanced customs duties to the United States Government. As a consequence of the present tariff level, America's reserve or pile of manganese ore on hand is lower than it has ever been since ships and guns were made of steel.

A very distinguished former Member of this House, whose able mind now finds expression at the other end of the Capitol, recognized this fact and sounded the warning in 1922 that the proposed step of placing a tax on manganese imports was then a serious mistake. A distinguished leader of the minority hailed it at that time as the best item for "revenue only" that any antiprotectionist could wish.

Why was it done at that time? Because the members of the committee and the Members of the Congress had faith in the serious promises of these supposed business men, who solemnly stated then, as now, "Give us a tariff of 1 cent per pound on manganese and we will find and produce the country's needs." How many years shall we give them in which to make good their promise to be performed within three? I am a protectionist, but I am first of all an American, and I would always give the American worker first chance if he had begun to start to make good on his promises. The domestic manganese producer has not so done. A tariff can not create ore deposits that nature has failed to supply.

It is interesting to note that, of the men who appeared in 1922 for a manganese tariff, apparently all have taken their reward from Congress and quit or, perchance, gone to their reward in some other and better sphere. The new personnel, which comes with the same promises, represents a production during the last six years whose entire gross value, according to the Bureau of Mines, is but \$3,000,000, or less than one-fourteenth of the duties paid during the same six years, and urges now a 50 per cent increase in the manganese duty. They have all been drawn into this "rainbow chasing" game by virtue of this 100 per cent tariff on this crude material. Are we going to continue—or, perchance to raise the duty—and invite more and more investment in what can not be a profitable business until Congress hands them a tariff protection of 500 per cent ad valorem? In



setting up this artificial, so-called protection, we impose on this commodity a charge of \$220 for every ton of domestic manganese produced, and it is a question whether we do the present mines, the investing public, and those to come a service or a disservice. In this connection, I would invite your attention to the opinion of Dr. George Otis Smith, Director of the United States Geological Survey, on this very subject, which I am including in the extension of my remarks.

The manganese association last year, in Washington, a few months before the hearings of the Ways and Means Committee, held a meeting which is set forth more than fully in their publication called *The Proceedings of the First Annual Convention of the American Manganese Producers Association*. The volume, expensively printed and illustrated, was laid on your desk and on mine—135 pages, with plates and cuts and pictures and charts. Most expensively done! Was it from the profits of the manganese producers? No one can read the proceedings and gain even that impression. Each man says, "Bring some money into our field and we will show you some production." "Come and invest with us," was their cry. I looked at the impressive picture in the annual proceedings of the association, and I saw distinguished looking gentlemen in large numbers and then I turned over the pages to where they had listed those present and their occupation. I found represented there five different States (represented by 18 men, in total), and a few from a new Cuban concern. And then I found three and one-half pages of names of those in attendance from the bureaus and departments of the Government, from the railroads and transportation concerns of the country, and even the husband of the stenographer at the headquarters of the association, invited to dinner and to have his photograph taken. A very impressive volume, unless and until you read and analyze its contents.

This tariff bill, gentlemen, with all of the sincere effort we are able to bring to bear upon it, is being written (a) for the specific and express purpose of equalizing the difference in economic status between industry and agriculture, and (b) for the correction of distorted conditions which have arisen in a few industries since the Fordney-McCumber law of 1922. Do not let us lose sight of either one of these two principles, but do not, on the other hand, think that the way to elevate agriculture is to unnecessarily punish and penalize industry, whose pay roll buys agricultural products. In this schedule I am asking for the elimination—or at least the reduction—of a tariff which, under the guise of protection, is pitilessly punishing the purchasers of plates, shapes, and bars.

Tied up with manganese, but of no less importance and of vital interest in the manufacture of every plate and shape and bar that goes into American building, is the increased tariff rates in the Hawley bill, as compared with the Fordney bill, on tungsten, fluorspar, and magnesite. Some of each is necessary in steel production. Practically all of the tungsten and magnesite are produced abroad, and nearly half of the fluorspar, and necessarily imported through this high-tariff barrier. Two hundred per cent ad valorem on tungsten—a few million dollars more to the cost of producing steel—120 per cent on fluorspar, 150 per cent on magnesite, all showing material increases over the Fordney tariff bill. And while each is written at but a few cents per pound—perhaps, as in the case of magnesite, but a fraction of a cent per pound—the total tariff cost in the last seven years has been about \$80,000,000 on that which had to be imported. And this to protect an industry whose entire known and estimated reserves in the case of manganese, at least, would not provide our needs for two years.

Gentlemen, these figures are so startling that I almost hesitate to advance them, fearing to test your credulity. I would not do so did I not know that every man in this House who knows me knows that I would not speak unless I spoke the truth. No product of furnace and mill and shop of the steel industry made in America receives protection at a higher rate than 20 per cent ad valorem, and the lowest rate that they pay on any of these four raw materials—manganese, tungsten, fluorspar, and magnesite—which they must import, is 100 per cent ad valorem. Steel rails remain the same, at 5 per cent ad valorem; tool steel and shapes and bars remain the same, at 20 per cent; pig iron is 7½ per cent, having been increased from the 5 per cent allowed in the Fordney-McCumber law after a hearing before the Tariff Commission.

I refer at this point to a very short brief—one typewritten page—prepared by me on this subject, which I am, for convenience, inserting at the end of my remarks. I have already supplied copies of this to the committee members and my Pennsylvania colleagues.

#### ANTHRACITE COAL

On the subject of anthracite, I lack only time and perhaps your patience with me to present fully the ills from which this

industry suffers. Suffice it to say that within the last year there has appeared in our east coast markets the only anthracite really comparable to Pennsylvania's product that I have ever seen. This has come from restored mines in Russia, and is at our doors at far less than our men can produce and our railroads transport our own product to these seaboard markets.

Pennsylvania has gone part of the way toward removing its burdensome production tax on coal, with the approval of the Heaton bill gradually repealing the same. The inclusion of this commodity by this body or by another body at even a nominal import duty would in the future serve to bring it under the supervision of the Tariff Commission, and provide against a loss of markets, which while it has not yet taken place, may any day occur. The thought of my friend and colleague from New Jersey [Mr. Fort], who yesterday suggested a method for insuring against a congressional tariff revision within the next few years was heard with interest, and is approved without reservation in its application to this, as well as certain other industries.

I have been for 20 years before coming to Congress the employee of a company whose business was the mining and selling of anthracite as well as bituminous coal. I do have some very real appreciation and understanding of the aims and wishes of the workers, as well as the handicaps under which both they and the operators have labored. With every knowledge of the fundamental justice of this claim, I would not yet expect that I or anyone else had sufficient persuasive powers to procure real tariff protection as long as Pennsylvania does not at once remove its cruel and unusual tax burden which has been imposed on this particular industry.

It is a privilege to represent a congressional district in Pennsylvania. It is a privilege to translate a section of Pennsylvania to the rest of the country. It is a privilege, above all others, to work for the advancement of the happiness and contentment of the men in the mine and the mill and the field; for the betterment of their homes; for the broadening of their educational opportunities; for the increase of their hours of leisure and for the development of their capacity to enjoy that leisure. But do not carry any longer any misconception which may be implanted in your minds about Pennsylvania. Republicans and Democrats alike regarded it as a battle ground in this last election. There were even some among the new leaders of Democracy who predicted that the man who is President of the United States would fail to carry the State. (Of course, they were not overly experienced in politics, nor did they know the tenacity of will and purpose that is the very bone and sinew of the people of the Keystone State.) No State in the Union gave the great majority that Pennsylvania gave to the Republican Party and to the man who assumed the responsibilities of Chief Executive with the good-will of all America and most of the civilized world. There is no delegation from another State that numbers among the majority party anything like the number that Pennsylvania sends to uphold that President's hands and aid in carrying out his policies.

Is Pennsylvania satisfied with this bill as it comes from the Ways and Means Committee? I speak for my own district only when I say, with entire candor, that as yet neither industry nor agriculture has received those much needed adjustments. However, above all and before all, we of Pennsylvania believe in playing the game, and even though at times it appears that in certain parts of the Government the aspirations of this, the greatest State in the Union, are set at naught—and at times her very constitutionally guaranteed rights may be invaded—still Pennsylvania plays the game of loyalty to God, to country, and to party.

And so as the days roll by that lead up to the counting of the votes in favor of this bill which represents (even though there may be frailties of humans and mistakes in mechanical structure) the sincere effort of a great party, working through its conscientious representatives on the Ways and Means Committee; when the day of the roll call comes this bill will not be lacking for support, either in the Keystone State or in that capstone of the keystone, the thirtieth congressional district. [Applause.]

Mr. COYLE. Mr. Speaker, under leave given to extend in the RECORD certain data in connection with my address on the pending tariff bill, I herewith insert short statements prepared by me on Why American Cement Should Be Protected, and Why the Tariff Should Be Removed From Manganese, Tungsten, Fluorspar, and Magnesite; also certain extracts from a compilation made in the Library of Congress on Tariff Rates and Reserves of Manganese in the United States, and a statement compiled in the United States Bureau of Mines giving a comparison of domestic production and importation of manganese ore over a period of years. I wish to again express



my appreciation to my colleague [Mr. LEECH], who has rendered able assistance in the preparation of this data.

#### WHY AMERICAN CEMENT SHOULD BE PROTECTED

First. Cement has always had protection, either in the tariff or by virtue of war conditions in Europe, until 1922.

Second. Since 1924 cement has been coming into the seaboard from newly equipped plants in Europe at very low ocean rates—far less than rail rates—which latter are approximately double what they were before 1914. The European labor cost is one-fourth what it is in the United States.

Third. Plants serving the Pacific, Gulf, and Atlantic coast markets are compelled to meet the foreign price which nets them less than their cost of production.

Fourth. One and one-half per cent, or 2,000,000 barrels, annually have been imported. While this tonnage is not in itself serious to the industry as a whole, the resultant market conditions have proved disastrous. Eighteen million five hundred thousand barrels of American cement have been annually sold in these same markets; 15,000,000 sold at a price considerably less than American cost of production in order to maintain at least partial exclusion.

Fifth. European plants sell their output through a cartel system, with state cooperation and aid. This, in fact, acts as an effective government subsidy to the industry.

Sixth. American companies are prevented by law from forming such cooperative sales organizations, but compete with each other in all markets, and individually assume the burden of meeting the low import prices rather than accept the alternative of closing their mills. The American manufacturer has resisted the temptation to venture into manufacturing in foreign fields for our seaboard needs, and lives in hope that tariff protection will be afforded the domestic market and the men on his pay roll.

Seventh. Without tariff protection, the few million barrels imported served:

(a) To materially reduce working time in New Jersey, New York, Pennsylvania, Alabama, Georgia, Tennessee, Texas, and California.

(b) To fix their absurdly low sales price for a large part of their production (the profits from which accrue only to the benefit of a few seacoast contractors).

(c) To force a consequent high price to many an inland consumer.

Eighth. Adequate protection in the tariff bill will not increase but will more than likely reduce the prices to the inland consumer who buys from 50 to 75 per cent of the total American production.

#### MANGANESE, TUNGSTEN, FLUORSPAR, MAGNESITE—WHY THE TARIFF SHOULD BE REMOVED

First. Manganese is just as important to steel as electricity to modern life, and a tax placed on electricity in the home would be just as reasonable as a tariff on manganese.

Second. There is no substitute for the manganese ore used in every ton of steel. All steel-producing countries import manganese, but no other country tries to handicap its importation by tariffs.

Third. If a war-time ocean rate of \$25 and a world price in excess of \$50 disclosed no new American deposits, how is it possible to expect any tariff figure to create what does not exist? Investigations by the Bureau of Mines show no deposits in the United States capable of meeting any part of the American demand.

Fourth. Since 1922 domestic manganese producers have been repaid their losses incident to war-time production from the United States Treasury and have recently been given authority to bring suit against the Government for even their capital expenditures. These are the same people who asked for the tariff as a protective measure in 1922, promising to produce three-fourths of our requirements, and who are now asking a 50 per cent increase, although they failed to come up to one-tenth of those promises.

Fifth. After seven years of an experimental tariff in excess of 100 per cent ad valorem, American producers have shown no increased production. Over 95 per cent of our requirements are imported.

Sixth. The tariff alone on manganese adds 27 cents to the cost of every ton of steel and exceeds by \$3,000,000 per year, or 60 per cent, all the dollars collected on imports of iron and steel.

Seventh. The tariff on manganese alone is equivalent to a 50 per cent increase in income tax of all steel companies; has taxed the industry \$220 per ton, or twenty-two times its normal value, on every ton of manganese produced in America under

this stimulus; and has already invited high export duties from foreign countries.

Eighth. Every argument advanced on manganese applies also in a greater or less degree to the tariff on tungsten, fluorspar, and magnesite, which carry duties of 180 per cent, 90 per cent, and 80 per cent, respectively.

Ninth. Since 1922 the operation of the present tariff law on four raw materials alone (none of which is procurable in the United States in appreciable quantity) has placed a burden on the steel industry of more than \$75,000,000.

#### Manganese in the United States—tariff rates and reserves in the industry I. TARIFF RATES

Official Government documents have presented compilations to show rates of duty on imports into the United States as given in the various tariff acts passed from July 4, 1789, to the Fordney-McCumber Act of September, 1922. ((a) U. S. Congress, Senate, Committee on Finance. Rates of duty on imports into the United States from 1798 to 1890, inclusive. 51st Cong., 2d sess., S. Rept. No. 2130. Washington, Government Printing Office, 1891. (b) Comparison of customs tariff laws, 1789 to 1909, inclusive, Pt. I, 1883 to 1909. Prepared under the direction of the Committee on Finance, U. S. Senate, Washington, 1911. Tariff acts of 1890, 1894, 1897. (c) Comparison of tariff acts of 1909, 1913, and 1922. (Revised to June 1, 1924.) Prepared for the use of the Committee on Ways and Means, House of Representatives. Washington, Government Printing Office, 1924. Tariff acts of 1909, 1913, and 1922.) According to these compilations, manganese was first given a duty of 15 per cent in 1832 (reference cited in (a) above, p. 155), this being increased to 20 per cent in 1842, decreased to 15 per cent in 1857, and to 10 per cent during the Civil War decade, while in 1872 oxide and ore of manganese were entered free of duty, remaining on the free list until the act of 1922, when a duty of 1 cent per pound was levied on the metallic content of manganese in "manganese ore and concentrates." (References cited above in (a), pp. 202-203, 271; in (b), p. 321; in (c), p. 30.) According to the same compilations, ferromanganese first appears in the tariff act of 1890, when the rate was three-tenths of 1 cent per pound; in succeeding acts it was \$4 per ton (1894 and 1897), \$2.50 per ton (1909), free (1913), and 1½ cents per pound (in 1922, with certain provisos given below in special discussion of the 1922 act) on the metallic content of manganese. (References cited above in (b), p. 61, and (c), p. 29.)

Manganiferous iron ore in these compilations appears first in a group of acts covering the period 1874 to 1882, when the duty was 20 per cent under a general provision; this rate became 75 cents per ton in the acts of 1883 and 1890, 40 cents per ton in the acts of 1894 and 1897, and 15 cents per ton in 1909, since when it has entered free of duty. (References cited above in (a), p. 276; (b), pp. 60-61; (c), p. 135.)

The legislative histories of the various tariff bills from the McKinley Act of 1890 through the Fordney-McCumber Act of 1922; also, the hearings and reports on these bills have been examined to discover available material on manganese, ferromanganese, and manganiferous iron ore. Comparatively few specific references and no prolonged debates were found in the Congressional Record Index for any of these items, although some mention is made of them in general discussions of the metal schedule. Beginning with the Payne-Aldrich tariff of 1909, there is more material; consequently for that act, as well as for the later ones, there is given an outline legislative history of the bills to show at what stages of their progress changes occurred in the rates on manganese, ferromanganese, and manganiferous iron ore. Only such tariff-schedule references and schedule references and amendments as pertain to these items are listed.

#### II. MANGANESE RESERVES IN THE UNITED STATES (RECENT ESTIMATES)

First. Figures from United States Bureau of Mines:

The United States Bureau of Mines in a circular of April, 1927, has presented very definite and detailed figures concerning manganese reserves in the United States, by States. These are given in the accompanying tables. The same circular makes further statement as follows:

Except for the chemical ores produced in the Phillipsburg district of Montana, the supply of high-grade metallurgical manganese ores in the United States is meager. \* \* \*

In addition to the reserves shown on the table above mentioned, there are large but unknown tonnages of material containing 20 per cent metallic manganese situated in the Butte district, Montana, and the Olympic Mountain district of Washington. In the Butte district, dikes occur composed largely of a mixture of rhodochrosite and rhodonite.



In the Olympic Mountains the silicate of manganese, bementite, mixed with gangue material is found over a large area indicating that the reserves may be measured in hundreds of thousands of tons. The beneficiation of these ores, as well as the rendering of the manganese con-

tained in the manganiferous and ferruginous manganese ores of this country constitute the only source from which domestic manganese may be produced in sufficient quantities to materially meet trade demand. (U. S. Bureau of Mines, Circular No. 6034, April, 1927, pp. 9 and 19.)

*Manganese reserves in the United States, in gross tons*

State	Indicated total reasonably possible reserves of manganese ore of ferro grade (35 per cent or more of manganese), at an index price of \$50 a ton, by States								
	Total number of deposits examined	Crude		Concentrate		Total		Recoverable manganese	
		Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
Alabama.....	12			2,800	7,800	2,800	7,800	1,300	3,500
Arizona.....	118	59,200	79,200	15,000	20,000	74,200	99,200	33,400	44,600
Arkansas:									
Batesville.....	203	160,000	210,000	112,000	152,000	272,000	362,000	126,500	168,300
Western.....	49	600	1,000			600	1,000	300	500
Total Arkansas.....	252	160,600	211,000	112,000	152,000	272,600	363,000	126,800	168,800
California.....	355	97,700	157,700			97,700	157,700	39,100	63,100
Colorado.....	92	141,600	241,600			141,600	241,600	49,600	84,600
Georgia.....	109			80,800	195,800	80,800	195,800	33,900	82,200
Michigan.....	5								
Minnesota.....	23								
Montana:									
Butte, carbonate.....	2	70,500	385,500			70,500	385,500	25,400	138,800
Butte, low grade.....	38			73,200	123,200	73,200	123,200	30,700	51,700
Philipsburg.....	23	186,300	231,300	70,000	140,000	256,300	371,300	102,500	148,500
Other.....	21	400	400			400	400	150	150
Total Montana.....	84	257,200	617,200	143,200	263,200	400,400	880,400	158,750	339,150
Nevada.....	58	17,800	27,800			17,800	27,800	7,100	11,100
New Jersey.....	4								
New Mexico.....	61	11,000	17,500			11,000	17,500	4,400	7,000
Oregon.....	41	1,000	2,000	27,000	50,000	28,000	52,000	11,200	20,800
Tennessee.....	134	1,900	3,900	37,000	55,000	38,900	58,900	14,800	22,400
Utah.....	58	9,000	12,000			9,000	12,000	4,050	5,400
Virginia.....	255			293,500	993,500	293,500	993,500	123,300	417,300
Washington.....	16	16,900	41,900			16,900	41,900	8,500	21,000
Wisconsin.....	1								
Other States <sup>1</sup> .....	172	8,000	10,000			8,000	10,000	3,360	4,200
Grand total.....	1,850	781,900	1,421,800	711,300	1,737,300	1,493,200	3,159,100	619,560	1,295,150
Chemical ore.....									
Metallurgical ore.....	1,850	186,300	231,300	711,300	1,737,300	186,300	231,300	74,500	92,500
		595,600	1,190,500			1,306,900	2,927,800	545,060	1,202,650

State	Indicated total reasonably possible reserves of ore of spiegel and pig grade (5 to 35 per cent of manganese), at an index price of \$50 a ton for ferro grade ores, by States									
	Crude		Concentrate		Total		Recoverable manganese for spiegeleisen		Recoverable manganese for manganese-pig iron	
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
Arkansas:										
Batesville.....	32,200	56,200	130,000	170,000	162,200	226,200	32,400	45,200		
Western.....										
Total Arkansas.....	32,200	56,200	130,000	170,000	162,200	226,200	32,400	45,200		
California.....	50,000	75,000			50,000	75,000			2,500	3,750
Colorado.....	1,403,200	2,403,200			1,403,200	2,403,200	350,800	600,800		
Georgia.....			27,800	112,800	27,800	112,800	5,600	22,600		
Michigan.....	606,300	1,126,300			606,300	1,126,300	3,500	7,200	41,400	76,100
Minnesota.....	23,353,000	32,353,000			23,353,000	32,353,000	841,200	1,246,300	1,844,400	2,474,300
Montana:										
Philipsburg.....			40,000	65,000	40,000	65,000	12,000	19,500		
Other.....	1,600	3,600			1,600	3,600	3,300	600		
Total Montana.....	1,600	3,600	40,000	65,000	41,600	68,600	12,300	20,100		
Nevada.....	129,300	229,300			129,300	229,300	15,500	27,500		
New Jersey.....			4,518,500	5,518,500	4,518,500	5,518,500	542,200	662,200		
New Mexico.....	391,800	891,800			391,800	891,800	62,700	142,700		
Tennessee.....			5,000	10,000	5,000	10,000	1,250	2,500		
Virginia.....			67,300	147,300	67,300	147,300	16,800	36,800		
Wisconsin.....	500,000	1,000,000			500,000	1,000,000			25,000	50,000
Other States <sup>1</sup> .....	4,000	6,000	1,000	1,000	5,000	7,000	1,000	1,500		
Grand total.....	26,471,400	38,144,400	4,789,600	6,024,600	31,261,000	44,169,000	1,885,250	2,815,400	1,913,300	2,604,150
Metallurgical ore.....	26,471,400	38,144,400	4,789,600	6,024,600	31,261,000	44,169,000	1,885,250	2,815,400	1,913,300	2,604,150

<sup>1</sup> "Other States" under reserves of ferro grade are Idaho, Maryland, New Jersey, North Carolina, Oklahoma, Texas, and Wyoming.

<sup>2</sup> Reserves same as previously reported to be on hand. Since 1922 there have been shipped 935,000 gross tons of ore containing from 5.27 to 6.50 per cent of manganese. The estimated reserves for Wisconsin did not include material containing slightly in excess of 5 per cent manganese and consequently have not been revised by the shipment of 935,000 tons.

<sup>3</sup> "Other States" under reserve of spiegel and pig-iron grade are Idaho, Mississippi, and Oklahoma.

Source: U. S. Bureau of Mines, Circular No. 6034, April, 1927, pages 16, 16a, 17 and 17a.



Second. Estimates presented by United States Geological Survey:

A subcommittee on manganese of a larger committee from the Mining and Metallurgical Society of America made a study of manganese ore reserves in the United States and had their report published early in 1924. Their figures for reserves of ferro grade are presented in tabular form in Mineral Resources of the United States, 1923, part 1, page 147 (United States Geological Survey publication). They differ somewhat from those given in the Bureau of Mines tables. Their totals are as follows (the State figures are not quoted below, although the citation gives them):

Indicated total reasonably possible reserves of manganese ore of ferro grade (35 per cent or more of manganese), at an index price of \$50 a ton, in gross tons, in the United States:

Crude:	
Minimum	660,500
Maximum	1,230,400
Concentrate:	
Minimum	739,000
Maximum	1,765,000
Total:	
Minimum	1,399,500
Maximum	2,995,400
Recoverable manganese:	
Minimum	578,510
Maximum	1,223,650

The report also drew these conclusions:

1. The domestic resources of ferro-grade and chemical ores of the United States are so out of balance with the major foreign resources that under natural conditions of international exchange imports of such ores into the United States can be efficiently stopped only at great cost.

2. Should, nevertheless, legislation be enacted which should effect a measurable substitution of domestic for foreign ferro ores, the chief result, aside from the cost, would be the dangerous depletion of reserves, which as it is totally inadequate for the country's needs.

3. Domestic resources of low-grade reserves, on the other hand, are comparatively adequate. Any effective attempt, however, to force their adaptation to the country's needs beyond the normal development which may be looked for through increase in skill and vigorous educational campaign would result in a cost so enormous as to be quite disproportionate to the purpose to be served. (United States Geological Survey, Mineral Resources, 1923, pt. 1, p. 147.)

Third. Statement of Dr. George Otis Smith, Director of the United States Geological Survey:

For many years—before, during, and since the war—the United States Geological Survey has been studying the manganese situation, including manganese reserves in the United States, as it has been studying other mineral resources and reserves. Its conclusions and the basis therefor are available in numerous publications to you and to any others who may desire to get at the facts of the situation.

These conclusions are, in brief, that there are not reasonably in sight sufficient supplies of manganese ore of acceptable grade in the United States to supply more than a small part of our current domestic needs. Our experience during the war proved clearly enough that, even though our domestic producers, under the stimulus of war prices five times those normally prevailing, practically stripped many of the known deposits of their high-grade ores, they were unable to meet the national emergency, and much needed shipping had to be diverted to bring in Brazilian ores in order that the supply of ordnance and munitions, essential to the saving of the lives of American soldiers in Europe, might be maintained. Unfortunately, the situation that existed in 1917-18 has not been materially altered in the last decade. Indeed, many deposits on which development was then attempted have since been practically forgotten. As I had occasion recently to remark in my annual administrative report, some of the survey's investigations yield negative or unfavorable results and "such findings of fact are not popular, but they may prevent large waste of capital and labor." (Letter to the editor of the Manufacturers Record, January 7, 1928. Published in the Record January 26, 1928, pp. 45-46.)

Fourth. Citations to other pertinent though unofficial sources of recent date.

(a) Proceedings of the first annual convention of American Manganese Producers' Association, Washington, 1928:

Manganiferous iron ore in Minnesota, Carl Zapffe, pages 91-96.

Types of deposits in Virginia, Doctor Grasty, pages 97-107.

Types of manganese deposits, Doctor Burchard, pages 108-113.

State of the industry (in Arkansas, Montana, Virginia, Washington, Idaho, etc.), pages 16-41.

(b) Transactions of the American Institute of Mining and Metallurgical Engineers, Volume LXXV, New York, 1927 (papers and discussions of New York and Cleveland meetings in February and April, 1927):

Manganese resources in relation to domestic consumption, John V. W. Reynders, New York, N. Y., pages 272-284.

Minnesota manganiferous iron ores in relation to the iron and steel industry, T. L. Joseph, E. P. Barrett, and C. E. Wood (Minneapolis, Minn.), pages 292-337.

In this paper the following table, summarizing domestic reserves, appears on page 309:

(Taken from International Control of Minerals. A. I. M. E. and M. and N. S. A. (1925), 83)

Grade	Estimated reserves of ore	Manganese contained		Manganese recoverable
		Average per cent	Tons	Tons
Ferro	1,400,000	41.3	578,000	433,000
Spiegel	13,188,000	16.00	2,114,290	1,480,000
Manganese pig	22,050,000	9.75	2,147,500	1,500,000

Reserves of Lake Superior manganiferous iron ores, Carl Zapffe, pages 346-369.

Each of the above papers is followed by a discussion.

(c) Brief of the American Manganese Producers' Association, presented at recent hearings on tariff readjustment, held by the House Committee on Ways and Means, Seventieth Congress, second session, Schedule 3, page 1344 (entire brief extends from pp. 1343-1351).

TABLE I.—Comparison of domestic production and importation of manganese ore, by years

	Domestic production <sup>1</sup>	Imports	Per cent—age of imports to total
	Gross tons	Gross tons	
1904	3,145	108,519	97.2
1905	4,118	257,033	98.5
1906	6,921	221,260	97.0
1907	5,604	209,021	97.4
1908	6,144	178,203	96.7
1909	1,544	212,765	99.3
1910	2,258	242,348	99.1
1911	2,457	176,852	98.6
1912	1,664	300,661	99.5
1913	4,048	345,090	98.9
1914	2,635	283,294	99.1
1915	9,613	313,985	97.1
1916	31,474	578,321	94.9
1917	129,405	629,972	83.0
1918	305,859	491,303	61.6
1919	55,322	333,344	85.8
1920	94,420	606,939	86.6
1921	13,531	401,354	96.7
1922	13,404	363,975	96.3
1923 <sup>2</sup>	31,500	571,112	94.7
1924	58,515	558,408	90.8
1925	98,324	709,282	87.8
1926	46,258	782,620	94.4
1927	44,741	676,874	93.7
1928	45,000	507,708	91.8
Total	1,015,915	10,058,243	

<sup>1</sup> Domestic production includes all ore over 35 per cent manganese and includes both chemical and metallurgical grades of ore.

<sup>2</sup> The war production during 1917 and 1918 (which constitutes about half of the past 25 years' domestic production) was obtained at an inflated price nearly seven times the normal price. Even in the face of this high price manganese mining was conducted at a loss and the Congress enacted the war minerals relief act under which the manganese miners' losses were reimbursed by the Government to the extent of \$2,503,112.

<sup>3</sup> From 1923 the Government statistics give importations in metallic manganese only. For the purposes of comparison with the domestic manganese production the total metallic manganese imported has been translated into ore of a 50 per cent grade.

Mr. ESTEP. Mr. Chairman, I yield three minutes to the gentleman from Missouri [Mr. HALSEY].

Mr. HALSEY. Mr. Speaker and members of the committee, a new Member, I trust my temerity is more apparent than real in seeking recognition for a brief statement. Without presuming to question the knowledge, the ability, the sincerity of purpose, or the wisdom of the members of the Ways and Means Committee who prepared this tariff bill, may I venture to suggest the hope that some of its schedules may be so amended that the new Member from the sixth district of Missouri in voting for the bill on its passage may, with a good conscience feel that he has kept the faith with the people of his district whose major activity is agriculture. Among some of its features objectionable to me are the schedules relating to scientific and surgical instruments, tools, cement, brick, shingles, casein, blackstrap molasses, vegetable oils, sugar, and the flexible provisions of the bill granting legislative powers to the executive departments of the Federal Government.

Mr. CANFIELD. Mr. Chairman, I yield 15 minutes to the gentleman from Arkansas [Mr. FULLER].



Mr. FULLER. Mr. Chairman, this Congress has been called by our President for the purpose of passing a farm relief bill and for a limited revision of the tariff, in the interest of agriculture, to such an extent that agriculture shall be placed upon an economic basis equal with industry. The rate of import duty, as reported in the proposed tariff bill, is grossly inadequate to protect the tomato canners of the country. In order that it may readily be ascertained as to the past and proposed duties on canned tomatoes and tomato paste, I call your attention to the tariff law on this question from 1909 to the present time, which is shown by the following table:

*Rates of duty on tomatoes and tomato paste*

	Canned tomatoes	Tomato paste
1909.....	40 per cent ad valorem....	40 per cent ad valorem.
1913.....	25 per cent ad valorem....	25 per cent ad valorem.
1922.....	15 per cent ad valorem....	40 per cent ad valorem.
1929 proposed law.....	25 per cent ad valorem....	25 per cent ad valorem.

Under the Underwood tariff law of 1913 the canned tomato industry of this country prospered, and prosperity for the canners means prosperity for the farmers. Practically all of the canning factories are either controlled by or are entirely dependent upon the farmers, and the canners' and the farmers' interests are equal. There are 2,200 tomato canners in the United States. They are like the farmer; they are small individual units and are helpless. They are the closest neighbors in the world to the farmer, being just one step beyond him. Instead of trying to sell tomatoes in the raw state in the market, the canner converts them into canned tomatoes and attempts to sell them in his small way and he can not meet his foreign competition. Practically 20 per cent of the canned tomato products consumed in this country are imported from Italy. According to the common prevailing custom, before the season opens, the canners hold meetings with the farmers and enter into contracts providing for the number of acres to be planted in tomatoes and the price per ton. Over \$300,000,000 is invested in these canneries, as far as statistics show under the last census. Many small farmers arranged their agricultural and horticultural pursuits, with a view of having a market for their tomatoes and until the tariff of 1922 were able to make a fair profit on this product.

Under the Fordney-McCumber tariff law of 1922, tariff on canned tomatoes was reduced to 15 per cent ad valorem, although 40 per cent ad valorem was retained on tomato paste, and not content with the low import duty on canned tomatoes, which is a greater industry than tomato paste, the same tariff law placed a higher tariff on tin cans, which was more than an offset for the 15 per cent tariff on canned tomatoes, thus leaving no protection.

Prior to the Fordney-McCumber tariff law of 1922, the importing of canned tomatoes into this country was not a serious handicap to the tomato industry, but since there has been an unreasonable and unprecedented importation of canned tomatoes and tomato paste, as shown by the following table, taken from the report of the United States Tariff Commission:

	Imports of—	
	Canned tomatoes	Tomato paste
	Pounds	Pounds
1922.....	11,537,284	1,867,555
1923.....	33,797,311	7,139,441
1924.....	53,816,661	10,126,583
1925.....	86,237,642	18,484,464
1926.....	84,749,219	15,912,247
1927.....	93,771,966	13,857,335

The figures for 1928 are not available. All these figures show that the imports of canned tomatoes and tomato paste, which is tomatoes cooked to paste and canned in condensed form, have been increasing rapidly and consistently under the tariff act of 1922, and gives promise of a continued increase under present conditions and under the proposed tariff on tomatoes.

In fact, the proposed duty of 25 per cent on canned tomatoes is an increase of 10 per cent from the present law, but the proposed duty on tomato paste of 25 per cent is a 15 per cent reduction from the tariff law of 1922.

A glance at these figures conclusively shows that the Democrats under the Underwood tariff law of 1913 gave more protection and was of greater benefit to this industry than the tariff of 1922 and the proposed tariff of 1929. During the last five years many of the canners have been unable to operate their

businesses, and those who have continued in business have done so at a loss or a very low profit. Those that are in operation are, to a great extent, overwhelmingly in debt to banks and those furnishing machinery and supplies, and have continued in business and been able to refinance themselves with a hope that ultimately the import duties would be changed and they would be able to exist.

This industry reaches and affects every American home and is deserving and should receive protection to the extent that it may prosper and be able to carry on its industry.

Ninety-nine per cent of the tomato paste imported into this country comes from Italy, and over 90 per cent of the canned tomatoes imported into this country come from Italy. The evidence submitted before the Tariff Commission at the hearing on tariff on tomatoes shows that Italian wages for farm labor were from \$8.45 to \$16.60 per month on a yearly basis. The wages paid in Italy in the tomato industry averaged from 3 to 14½ cents an hour for men and from 2.4 to 7.3 cents per hour for women; the general level of industrial wages in Italy being 8 cents per hour. The cost of production in the tomato-canning industry depends largely upon the cost of labor, and it is absolutely impossible for the tomato canners of America to continue in business and prosper without a substantial tariff sufficient to equalize the difference in cost of production. In addition to this transportation rates favor the foreign producer as against the American producer.

When the Tariff Commission was conducting an investigation into the cost of production of canned tomatoes and tomato paste in Italy, its investigators were not allowed by the Italian Government to enter Italy for the purpose of securing first-hand information. The evidence obtained and submitted to the Tariff Commission showed that an average duty of 41 per cent would be needed in order to equalize the cost of canned tomatoes of Italy and the United States. This cost comparison, however, did not take into consideration the cost of the farmer for the production of the raw tomatoes. Statistics show that the farmer for the last five years has been getting on an average of \$14.32 a ton for his tomatoes for canning purposes, and has not been receiving the actual cost of production.

In my congressional district there are more than a hundred canneries. All of them flourished before the tariff law of 1922, and practically every one of them have lost money, if not their property, in the last five years. Those who have retained their properties have done so at a loss and continue to operate with a hope that conditions will change. Figures show a downward tendency in the tomato acreage planted for commercial packing, notwithstanding the population has been steadily growing and the public's interest in tomato foods has been increasing. The acreage grown for manufacturers in 1927 was the lowest in many years.

Over 185,000 farmers are engaged in tomato growing. When we give protection to the canners of this industry the farmers reap the benefit and all are placed in a more healthy condition. Many have and are able to purchase small tracts for horticultural purposes and make a living, but they can not profitably grow tomatoes under the protection offered in the proposed tariff law. Machinery, tools, and equipment for the industry are purchased in a highly protected industry, including tin cans.

Certainly you Republicans, who have always stood for a high protective tariff and for the protection of infant industries, should at least be for as high a tariff, if not more, as the Democrats were under the Underwood tariff law, which protection enabled this industry to flourish.

Practically all the benefit the tomato canner will receive by a reasonable import duty on canned tomatoes will be enjoyed by the farmers of this country. At least one-half of the States of this Union are interested in this industry.

The proposed tariff law carries a provision of a high import duty on tin, from which cans are made of, 40 per cent ad valorem, and this, to a great extent, kills the effect and the benefit to be derived from the proposed 25 per cent ad valorem on canned tomatoes, added to which burden is a reduction in the proposed tariff law to the extent of 15 per cent on tomato paste. It is generally understood that after the Tariff Commission's investigation in 1928 it made a recommendation to the President for a higher import duty on tomatoes. The farm bureaus, the canners, and those best informed contend it is impossible for the tomato canners to pay a fair price to the farmers, make a living profit, and compete with Italy on less than a 60 per cent import duty.

Imports on canned tomatoes increased eightfold in the last six years and in the same period imports on tomato paste increased seven and one-half times. Imports increasing, production decreasing, and factories losing and going bankrupt is positive evidence of no protection under the 1922 tariff, with no relief in sight under the proposed tariff law.



These figures and this argument is based upon reports of the Departments of Commerce and Agriculture, the Tariff Commission, and the evidence before the Ways and Means Committee, including Chester H. Grey, of the American Farm Bureau Federation, and others.

I join in the petition and prayers of the farm associations, the canners and tomato growers of this country, the many bankers and merchants who are carrying these people, that you amend the proposed law and provide for at least a 50 per cent ad valorem import duty on canned tomatoes and tomato paste.

I saw the other day an account in a newspaper here to the effect that the Senators from Maryland, Delaware, and New Jersey had called upon the President and asked for this very same relief, stating that it is absolutely impossible for their industry to keep open and continue in business unless substantial relief was given to them, and the evidence before the Tariff Commission and before the Committee on Ways and Means shows that last year 181 of the biggest factories in those three States were closed down because they could not meet the conditions that Italy was putting up to them.

Mr. GARBER of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. FULLER. Yes.

Mr. GARBER of Oklahoma. Was any reason assigned for the reduction in the rate on tomato paste?

Mr. FULLER. Not that I know of.

Mr. GARBER of Oklahoma. Is not that a loophole that nullifies the benefit of the increased rate for the other products?

Mr. FULLER. Absolutely. We have a number of people now getting into the tomato-paste industry. That is one of the great products our competitors are shipping in, and the amount of tomato paste that Italy brings in cuts down our market for tomatoes. The tomato producers in this country in the Southern States, and in California and Utah and other States, are interested in this matter. It is not my interest to attempt to convert those people on this proposition, but I hope the House will give this matter full consideration. [Applause.]

#### CATTLE

One of the greatest benefits that could be given to agriculture would be the protection of the livestock industry by a tariff that would stabilize this industry and restore the confidence of the farmers to such an extent that they would know what to depend upon. Beef cattle is one of the greatest money crops in this country and the fertility of the soil and the general up-bu-ild of the farm can not be maintained without cattle. Give us a substantial tariff on cattle and we will start in now and build up our herds and at the end of three or four years find a stabilized market. In 1928 there were 23,000,000 head of beef cattle in the United States, a decrease in 28 years of 40 per cent, caused primarily by the inability of the farmer to receive the actual cost of production. This great per cent in the decline of cattle is remarkable in view of the fact that the human population of this country has increased in this same period 58 per cent. In Central and South America, principally in Brazil and Argentina, there are 100,000,000 head of beef cattle which are kept off our market solely as a result of the quarantine embargo issued by the Secretary of Agriculture on the 1st day of January, 1927, to save this country from the ravages of the foot-and-mouth disease. These cattle are now being sold in Europe, and if this embargo were lifted these cattle would be shipped to America and the same grade of beef sold from \$6 to \$8 per hundred less than our price and glut our markets and throw our stock farms into bankruptcy.

Statistics show it costs the American farmer \$8.50 more per hundredweight to produce and deliver beef cattle on the American market than it does the same class of steer from Argentina delivered on our markets. Under this proposed bill only \$1.50 per hundred is placed on cattle weighing 1,050 pounds and \$2 per hundred where the cattle weigh over 1,050 pounds. An import duty against the cattle industry of South America is not needed as long as the embargo is in force and effect, but as soon as it is lifted, which, no doubt, will occur in the not distant future, this import duty would be practically nothing in the way of protection. A tariff of \$8 per hundred would not raise the price of cattle, but would stabilize the market and encourage the farmer to remain in and further advance in the livestock business. Under present conditions, and with no assurance of fair protection in the future, he is afraid to build up his herds. If these same facts were applicable to steel or some other large industry in this country, the Republican leadership of this House would unhesitatingly give ample protection.

#### FARM MACHINERY

The farmer is the most neglected, tax-burdened, and imposed upon citizen in this country. As a general rule he belongs to

no organization that maintains offices for the purpose of gaining statistics and fighting his battles. Practically everything he buys is manufactured in a highly protected industry, and he sells in an unprotected market. There is no use to give him a little protection on a few articles and take it all away from him by the exorbitant prices he is required to pay for farm equipment.

Farm machinery and equipment are selling for as much, and more, to-day than during war times, while everything else is selling cheaper. At the beginning of the World War standard wagons were selling in the neighborhood of \$65, and the same wagon to-day is selling for \$150. Ordinary binders during the war sold for \$125, and the same are now selling for \$235. Plow points have doubled in value. Mowing machines a short time ago could be purchased for \$40, and now are selling for \$75. Such is true of all other farm implements, including harness. Yet, practically all of these articles are manufactured, sold, and prices fixed by a monopoly in this country which pays an enormous dividend upon its investment. These same things are shipped into South America and Europe and sold much cheaper than to the American farmer. In fact, there are no manufacturers in the world to compete with the American manufacturer of farm implements.

All of these farm implements are placed on the free list, which is nothing but a camouflage in order to fool the farmer. Everything, however, in the way of steel, copper, aluminum, iron, and other metals that go into these farm implements are protected by a high import duty, which is added onto the manufactured product and charged to the farmer.

Why not exempt from the import duty the steel and metal that go into farm implements, and at a later date investigate and ascertain as to whether or not these manufacturers are charging an unreasonable and exorbitant price for their products?

Both political parties have declared that agriculture was in an embarrassed condition and not thriving in any way in comparison with industry. Our distinguished President, Herbert Hoover, has called this session of Congress in order to give the farmers relief, and we have passed almost unanimously through this House his farm relief bill, which has for its purpose the appointment of a farm board to stabilize the industry through marketing and cooperative associations. This is to be done principally by the loaning of money out of a five hundred million dollar sinking fund, and in our opinion this will do much to bring about relief. It all depends, however, upon the personnel of the board and the real desire of our President and this board to bring about relief. After all, the opportunity to borrow money is not the basic principle for relief for the farmer. He has had too much opportunity to borrow money in the past, and what he needs now is an opportunity to sell his products at a profit and pay his debts.

The President, in his message to Congress, said that he wanted limited changes in the tariff law in order to carry out the object and purpose of this farm relief session of Congress; but when we examine this tariff bill we find its friends and supporters are using this opportunity as a smoke screen to give the farmers very little and to raise the tariff on practically every item that industry desires. Out of the thousand items in this bill not a hundred of them are for the protection of agriculture, yet it carries a higher tariff than any bill ever introduced or passed in an American Congress.

If we are to help agriculture in the passage of this, as in future legislation, we should bear in mind to give the greatest relief where mostly needed, the greatest good to the greatest number, and always bear in mind that the farmers are the producers of this country, and when they fail to prosper all professions and businesses fail to prosper. Agriculture is in such a condition to-day that farms are not selling for 25 per cent of their value, as men will not invest money in a proposition which does not pay interest on the investment. The boys and girls, especially, see opportunities awaiting them in the cities where higher wages are paid by highly protected industries, and not having the pleasures and comforts of life in the rural communities, as their friends, they are going to the cities and towns and it is almost impossible to obtain labor upon a farm.

Under the terms of this bill the tariff is increased on lumber, shingles, glass, cement, steel, paint, bricks, and so forth, and in fact, on all building materials, which will have a tendency to stifle building and improvements, and, on the other hand, all things that go into the farmers' homes, such as drugs, furniture, earthenware, sugar, and so forth, carry a protection for the tariff barons. The items of so-called relief are very few in comparison with the general increases against the farmer. We find that a tariff is placed upon grass seeds, but as a matter of fact, this is of practically no value to the



American farmer for the reason that most all our seeds are grown in our own country and are adapted to our soil, and very few would experiment in buying foreign seeds.

It has never been the policy of Democracy to be opposed to a protective tariff, and, in fact, in the early history of our Government when this party was in power for so many years it initiated and pursued the policy of a protective tariff; but when these protected industries became rich and opulent and came to Congress and made demands, the party then realized it was time the people of the country should be taken into consideration and given protection. To-day it stands for a reasonable and fair protection for industries, and certainly for agriculture. We so declared in our last platform, and I was one of those who signed the telegram pledging myself to vote for a tariff law that would not injure or disturb the laborer and the industries of this country and that would place agriculture and industry upon an equal basis. I had hoped that this tariff bill would be such that I could support it; but, to the surprise of the members of my party in this House, we find it is the highest, most unreasonable, and places the most unjust burdens upon the American people that has ever been attempted, and instead of helping agriculture depresses it. I am not opposed to a just protective tariff for our industries. I learned long ago the way to make money was to go where money was or get it to come to you. In such trying times as these, especially in view of the expressed desire of our President, Democrats and Republicans alike should get together, give and take, and pass a tariff law such as will give the farmer relief and render unto agriculture the benefits and privileges enjoyed by industry. [Applause.]

Mr. ESTEP. Mr. Chairman, I yield six minutes to the gentleman from Washington [Mr. SUMMERS].

The CHAIRMAN. The gentleman from Washington is recognized for six minutes.

Mr. SUMMERS of Washington. Mr. Chairman, the pending tariff bill is written for 120,000,000 people—for the East, West, North, and South—whose interests are widely divergent.

It must serve agriculture, labor, mining, manufacturing, lumbering, and scores of other groups throughout the country.

During the past five months the Ways and Means Committee has heard and has considered the testimony of about 1,200 witnesses, from every State in the Union, for and against the different provisions of the bill. The committee has labored by day and far into the nights striving to give us a balanced tariff bill. From the very nature of things the bill can not meet the approval of all nor of anybody in every respect. However, we commend the committee for many good things in the pending measure. No doubt many amendments will yet be made in behalf of agriculture.

The dairy and poultry industries are among the most important in this country. They should be greatly benefited by the provisions of this bill. And just here and now I want to go on record for the old American hen and cow. They have lifted many a mortgage and have saved unnumbered homes for struggling farmers and their families.

The bill protects the sheep and wool and hog and cattle industries and many other branches of agriculture. In the brief time at my disposal I want to refer specifically to some problems of my State.

#### JUTE BAGS

No branch of agriculture has suffered greater depression since the war than has wheat growing. The wheat farmers of the Pacific Northwest use more than 30,000,000 jute bags annually in marketing their crops. For these bags we now pay from 12 to 17 cents each, a total of about \$4,500,000. Before the war we paid from 6 to 8 cents, or a total of about \$2,000,000.

Cotton growers are pleading for a duty of 3 cents a pound on jute bagging, three times the present rate. Cotton bags can never supplant jute bags. They cost too much. While we would like to help the cotton grower, their demands in this respect are unreasonable. The price of cotton bags is prohibitive for our wheat, onion, and potato growers. Farm products in general could not afford to use their bags. Our farmers would be heavily penalized if their demand of 3 cents a pound duty on jute were granted while they themselves would gain little or nothing.

We plead for a reduction. Jute bagging on the free list would be a boon to agriculture throughout the country.

#### POTATOES

Mr. Chairman, only a few months ago the potato growers of my district were hauling large quantities of potatoes from cold storage and dumping them in waste places. These potatoes were very superior in size, contour, texture, and flavor and probably graded U. S. No. 1. But after growing, digging, and warehousing them for a year in cold storage at great

expense, they were destroyed for lack of a profitable market and to make room for the new crop.

Gentlemen, potatoes are grown commercially in 42 States of the Union. American farmers are abundantly able to supply the demand of our markets. With production so generous and so widely distributed, there is no danger of exorbitant prices.

Why, then, should not the American market be wholly protected and preserved for the farmers of this country? I want to see home-grown potatoes on the tables of every family in the United States. [Applause.] I can conceive of no logical reason why it should be otherwise.

The Underwood bill—the last Democratic tariff law—put potatoes and most other farm products on the free list. The present Republican tariff law gives a protection of 50 cents a hundredweight, but that has not proven sufficient. Canadian potatoes from time to time have broken our markets and have broken our farmers, and Canada will continue to do so unless you raise the duty.

Mr. Chairman, I urge you and your committee to lay a duty of a dollar a hundred on potatoes and thus protect the most widely grown farm product in America.

Mr. GARBER of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. SUMMERS of Washington. Yes; I yield gladly to my farmer friend from Oklahoma.

Mr. GARBER of Oklahoma. We have had large imports of potatoes in the last year, have we not?

Mr. SUMMERS of Washington. Yes; and that helped to ruin the price for our farmers.

#### ONIONS

In my opinion the onion growers need further protection. They are competing for American markets against onions grown by pauper labor in Egypt and Spain.

Two years ago the gardeners near my home city of Walla Walla, Wash., destroyed in their field 175 carloads of luscious onions, as large and larger than your fist and of unsurpassed quality and flavor, because they could not pay the freight and handling charges and compete with Egyptian onions in American markets.

Onions are grown commercially from Washington and California to Massachusetts and from Michigan, Ohio, and Indiana to Texas. There is never a crop shortage.

The Underwood bill levied a duty of 37 cents per hundred pounds on onions. The present Republican tariff law increased the duty to \$1 per hundred pounds, and under the flexible provision of the bill President Coolidge increased the duty to \$1.50 per hundred pounds. Your present bill increases the duty to \$1.75 per hundredweight. Our growers want \$3 per hundred protection. American farm labor should not have to compete with Egyptian labor.

#### LUMBER AND SHINGLES

I was greatly surprised a few days ago when the gentleman from Illinois [Mr. HENRY T. RAINEY] stood on this floor and ridiculed the great American shingle industry and an American product that has sheltered hundreds of millions of Americans during the past half century only to laud the merits of a foreign competitor.

Just why a cedar tree grown on the north side of an imaginary line is better than one grown on the south side of that line the gentleman did not explain. The contention that low-paid oriental labor in British Columbia is more skilled and more efficient than American labor is not convincing and a strange doctrine in this Chamber.

Let us face the facts. There are 1,500 western lumber mills which come in most direct competition with Canadian lumber. These mills employ 200,000 workmen, furnish an annual pay roll of \$200,000,000, and directly support a million American men, women, and children. They are all entitled to protection.

We are writing a tariff bill for several years to come. While Canada is our chief competitor now, importations of Russian lumber are increasing by leaps and bounds. Russian timber was confiscated by the Soviet Government from its former owners, and Russian labor receives 40 cents a day. Where is the Member of Congress who could impose those conditions upon Americans and then look the American workingman in the face?

Wage losses among lumber workers have totaled \$100,000,000 during the past four years. The commerce of our country has suffered a loss of \$400,000,000, and a loss of profits of \$40,000,000.

Lumber imports are depriving 20,000 American workmen of profitable employment. Their families of 100,000 souls must look elsewhere for daily bread. It is not right that workers whose families live under an American standard and whose children we educate for American citizens should be compelled



to compete with oriental labor in Canada and 40-cent Soviet labor in Russia.

Under present part-time operating conditions, the dead overhead adds materially to the cost of production. Full-time employment of our labor and our mills under a protective tariff could produce lumber at a profit that would reach the consumers without additional cost.

As a farmer I shingle my farm buildings once in a generation, but I feed the shingle weaver, the woodsman, and the mill owner 365 days a year for a lifetime.

The per capita consumption of lumber in the United States is now about 300 feet per annum. Even if the tariff were charged wholly to the consumer, which it is not, who could begrudge 50 cents a year to give regular employment to 20,000 workmen? Who can be so shortsighted economically as to favor the employment of cheap foreign labor at the expense of our own?

Foreign industry does not build our highways nor schools nor carry our tax burdens. Their employees do not eat our food nor wear our clothing.

We plant more than a million and a half acres of new forests annually. We should quadruple our plantings, but what encouragement has an American to engage in a lifetime enterprise in competition with Russian free lumber, grown on confiscated lands and milled by Soviet labor at starvation wages? [Applause.]

The following reasons for placing a tariff on bananas, presented by the National Horticultural Council, are entitled to very serious consideration by the committee:

We import our surplus in the American fruit industry in the form of duty-free bananas. The banana imports exceeded 3,000,000,000 pounds in 1927, and constituted 92½ per cent of our total fruit imports by weight. They exceeded our exports of all fresh, dried, and canned fruits by over a billion pounds.

The American fruit industry represents investments of about \$5,000,000,000. About 2,000,000 people are directly involved. The properties have been developed by years of persistent effort. It is unwise national policy to destroy these valuable properties by ruinous importation.

According to reports of the Bureau of Agricultural Economics, 2,708,000 bushels of peaches and 142,000 tons of grapes were unharvested in one State in 1927. Hundreds of thousands of fruit trees have been removed in recent years. Cost studies show low returns in general and losses in many cases. Orchard values are low; financing is difficult or impossible; and sales of fruit lands are practically at a standstill.

The per capita consumption of American fruits as a whole has decreased. The per capita consumption of bananas has increased about 300 per cent since 1898. Apple consumption has decreased about 34 pounds per person, or 32 per cent in the same time. The situation is a serious national problem.

In 1927 the banana imports were valued at 1.1 cents per pound. The cost delivered to our ports was probably not over 2 cents per pound. Our fruit exports averaged 6 cents per pound. Thus, the bananas were delivered to our port markets at about one-third the price our fruits could be placed there. We do not ask for an embargo tariff on bananas. We ask that this unfair competition be equalized. The duty of 1½ cents per pound we are asking will not fully equalize the conditions.

The banana imports represent a new economic problem that should be met by an appropriate tariff. The imports now total over 64,000,000 bunches a year. They are increasing about 10 per cent a year. Increasing investments in the Tropics and new producing areas indicate rapid expansion under present tariff conditions. The imports now equal about 30 per cent of our car-lot shipments of all domestic fresh and dried fruits. They exceed the car-lot shipments of apples, our leading fruit.

Bananas compete directly with all American foods and fruits on the basis of food nutrients. They have been advertised from this standpoint in comparison with our products. When the body requirements for nutrients are partly filled by bananas they will not be filled by American crops. A tariff on bananas and similar products is justified on the basis of competing food nutrients.

The banana is an ordinary carbohydrate food. It is not a superior food, and it is not a "poor man's food." Food and caloric value can be purchased cheaper in many common American products and in some fruits. In addition, many domestic fruits have superior health value. Bananas show larger wastage (35 per cent) than any American fruit. A tariff on bananas would encourage greater consumption of American fruits and thereby benefit our people both in health and pocketbook.

The trade balance with the banana-producing countries is now in their favor by over \$100,000,000 a year. The banana imports were valued at \$34,269,450 in 1927. We export less than one-tenth as much fruit to these countries as we import of bananas from them.

We produce some bananas in our territory, and there are possibilities for expansion, especially in Hawaii. It is better national policy to encourage this development through a tariff than to encourage development in foreign countries by absence of a tariff.

We have tariffs on many products we do not produce in sufficient amounts for our needs, including sugar, lemons, dates, olives, etc. We have tariffs on some things we do not produce at all, such as spices, coconuts, coconut oil, silk and silk products, cork and cork bark, Brazil nuts, vanilla, cacao butter, chocolate, and many others. We have no tariff on some products we produce in great abundance, including petroleum and petroleum products, coal, cement, bricks, gold, silver, etc. There is no consistency in the tariff law in these respects. A duty on bananas will establish no new policies.

In 1922 the Ways and Means Committee included in the tariff bill a duty on bananas in all forms. This provision was passed by the House. Therefore a direct precedent for a tariff on bananas has been established. The Senate transferred fresh bananas to the free list and left dried bananas and banana flour to pay 35 per cent ad valorem under paragraph 749 of Schedule 7. The bill became law in this form.

No representative of the banana industry appeared before the committee or gave the members an opportunity for cross-examination. In contrast, the fruit grower and farmer representatives frankly presented their case and submitted freely to cross-examination.

A tariff on bananas will greatly relieve conditions in the fruit industry, in our opinion. Without such a tariff, we seriously question whether substantial benefit can be given to the fruit industry through the tariff.

Bananas are grown by low-grade labor and under cheap production conditions. Their entry duty free is lowering the standards of American workmen as well as fruit growers and farmers.

The tropical investments in bananas are paying no taxes to the United States. Our country is furnishing a market. Investments in one banana company have returned an average of 19.5 per cent annually for 20 years and the stock value has increased from \$100 to over \$1,000, allowing for stock dividends. American fruit growers have been operating at small margins or losses. The banana industry should contribute to the Federal revenue by a duty on bananas.

#### SOME ORGANIZATIONS WHICH ARE REQUESTING A TARIFF ON BANANAS

American Farm Bureau Federation; National Grange; American Pomological Society; National Horticultural Council, representing New York State Horticultural Society; New York State Farm Bureau Federation; New York State Vegetable Growers Association; South Shore Cooperative Association, Silver Creek, N. Y.; State Horticultural Association of Pennsylvania; Erie County Agricultural Extension Association, North Girard, Pa.; Erie County Horticultural Association, North Girard, Pa.; Keystone Cooperative Grape Association, North East, Pa.; New Jersey State Horticultural Society; Peninsula Horticultural Society (of Delaware, Maryland, and Virginia); Virginia State Horticultural Society; Georgia Peach Growers Exchange; Tennessee State Horticultural Society; Kentucky State Horticultural Society; Ohio State Horticultural Society; Indiana State Horticultural Society; Indiana Fruit Growers Association; Michigan State Horticultural Society; Michigan Fruit Growers (Inc.); Wisconsin State Horticultural Society; Illinois State Horticultural Society; Illinois Fruit Growers Exchange; Peoria Market Gardeners and Fruit Growers Association, Peoria, Ill.; Anna Growers Association, Anna, Ill.; Missouri State Horticultural Society; Nebraska State Horticultural Society; Louisiana Farm Bureau Truck Growers Association; Delta Potato Growers Association, Delta, Colo.; Idaho State Horticultural Society; Pacific Coast Horticultural Tariff Conference; California Pear Growers Association; Jackson County Fruit Growers Association, Medford, Oreg.; Apple Growers Association, Hood River, Oreg.; Hood River Traffic Association, Hood River, Oreg.; Washington State Horticultural Society; Yakima Fruit Growers Association; Yakima Valley Traffic and Credit Association; Washington Berry Growers Association; Wenatchee-Okanogan Cooperative Federation; Skookum Packers Association; Peshastin Fruit Growers Association; Cashmere Grange, No. 380, Cashmere, Wash.; Beacon Hill Grange, No. 389, Wenatchee, Wash.; Chelan County Pomona Grange, Chelan, Wash.; individual grower members in various States.

Mr. ESTEP. Mr. Chairman, I yield five minutes to the gentleman from New Jersey [Mr. LAGUARDIA].

Mr. LAGUARDIA. Mr. Chairman, so much has been said about sugar that I do not want to take any more time except to register, in the name of the poor exploited consumers, our opposition to the "Kemper-Garner-Fort" sliding scale of tariff on sugar. As I said, so much has been said on the subject that were it not for the fact that when the distinguished gentleman from New Jersey [Mr. Fort] speaks on the floor of the House he is believed by many people to speak for the administration. It is my understanding that the President has declared his opposition to any price-fixing policy, and this sliding-scale tariff on sugar is nothing else than price fixing on sugar. Gentlemen, you know if you say that the price at any time goes any lower a tariff will be put on sugar the refiners in my city will never lower the price. So you even take away from the poor consumers the hope that some day the cost of food may be cheaper.



If you are going to increase the cost of living and if you are going to increase everything else do not at least take away the hope from us that some time we may get cheaper sugar. So I think the distinguished gentleman from New Jersey ought to make it very clear to the House whether in urging the Garner sliding scale of tariff on sugar he is speaking for himself or for his constituents or whether he is speaking as the official and authorized spokesman of the White House. If he is, then indeed a change has come over the White House on the question of price fixing.

Mr. COLE. Will the gentleman yield?

Mr. LA GUARDIA. I will say this, that the question of a sliding scale on sugar is even unsatisfactory to the sugar people. Am I right in that?

Mr. COLE. We are not trying to satisfy them, are we?

Mr. LA GUARDIA. Well, the beet growers, then. How about them?

Mr. COLE. The beet growers may be satisfied; I am not able to speak for them.

Mr. LA GUARDIA. If they are, then I renew my opposition with additional vigor, if it is satisfactory to the beet growers. I want to say that any such scheme of a sliding scale is decidedly unsatisfactory, and I believe, Mr. Chairman, after having heard all of the arguments on the sugar schedule, that if we get an opportunity to vote on it when the bill comes up for consideration, we can leave the rate where it is now and defeat the unjustifiable proposed increase in the bill.

Mr. GARNER of Oklahoma. Will the gentleman yield?

Mr. LA GUARDIA. Yes.

Mr. GARNER of Oklahoma. Can the gentleman give us some information as to whether or not we will have an opportunity to vote on it?

Mr. LA GUARDIA. The gentleman has asked the last man in the House he ought to ask. They are not taking my advice.

Mr. GARNER of Oklahoma. I think the gentleman has demonstrated his ability to ascertain facts in various quarters.

Mr. LA GUARDIA. Yes; in various quarters, but ability to ascertain facts disqualifies one from leadership in certain places. But be that as it may, Mr. Chairman, I here and now state that the proposed plan, the Garner plan, adopted by the gentleman from New Jersey, is unsatisfactory to the consumers and we will fight that as much as we are fighting the proposed rate in the bill now before the House for consideration.

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN (Mr. SHREVE). The gentleman yields back one minute.

Mr. GARNER. Mr. Chairman, how does the time stand?

The CHAIRMAN. The gentleman from Texas has used 25 minutes more than the gentleman from Oregon.

Mr. GARNER. I would suggest that more time be used on that side.

Mr. ESTEP. I will state that this side has no speaker ready at this time.

Mr. GARNER. If the gentleman is not ready at the moment then I suggest the committee rise and the House adjourn.

Mr. COLE. Read the bill.

Mr. GARNER. Yes; read the bill.

Mr. LA GUARDIA. We are not ready to read the bill yet.

Mr. GARNER. I thought the representative of the consumers would at least be ready to read the bill.

Mr. LA GUARDIA. I am ready, but I have not enough votes as yet.

Mr. ESTEP. We have enough speakers to engage the time but the gentlemen have not come in to take advantage of the time.

Mr. GARNER. Then, Mr. Chairman, I move that the committee do now rise.

Mr. ESTEP. I would ask that that motion be held in abeyance until I hear from the chairman of the committee, Mr. HAWLEY, as to his wishes in the matter, and pending that I yield five minutes to the gentleman from New York [Mr. LA GUARDIA].

The CHAIRMAN (Mr. SNELL). The gentleman from New York [Mr. LA GUARDIA] is recognized for five minutes.

Mr. LA GUARDIA. Mr. Chairman, while we are in a lull may I take this opportunity to say something good of this bill. I have criticized it so much, I am opposing so many of the schedules, that it is a relief for me to say that I find one really good thing in the bill. [Applause.] I refer to the amendment contained in section 584. This change will do a great deal to prevent the unlawful importation of opium and narcotics. The existing law provides a penalty of \$25 for every ounce of smoking opium or opium prepared which is unlawfully brought into the country. The law provides that the master of such vessel

or the person in charge of such vessel shall be liable to this penalty. Section 594 of the present tariff act contains a joker which provides that no vessel used as a "common carrier in the transaction of business as such common carrier shall be so held or subject to seizure or forfeiture under the customs laws unless it shall appear that the owner or master was at the time of the alleged illegal act a consenting party or privy thereto." This proviso destroys the very purpose of imposing a penalty for the unlawful carrying of opium and narcotics into the country. Gentlemen will readily see that it is an impossible task for the Government to prove as part of its case that the owner responsible was a consenting party at the time.

Naturally owners of vessels and masters will not subject themselves openly and expose themselves to the penalty provided in the law. Things are not done that way. Besides the proviso contains the additional requirement "at the time" and this "time" refers when the opium is taken on board the ship in China, India, or any other foreign country. Everyone who has any knowledge of opium smuggling knows that large amounts of opium can not be obtained and brought into the country without the connivance if not the knowledge of responsible people connected with the ship and the owners. The amendment to section 584 in this bill now specifically provides that "such penalty shall, notwithstanding the provision of section 594 of this act, constitute a lien upon such vessel which may be enforced by a libel in rem." This change in law will destroy the vicious joker in section 594 of the present tariff law. I have conferred with many officials in charge who have years of experience in the enforcement of the narcotic laws, and they all say that this change in law will materially reduce the importation of opium into the United States.

Let any Member should get the idea that opium is brought into the country in quantities of a few ounces in the pockets of some obscure member of the ship's crew, I will read into the RECORD now the ships of just one line, the Dollar Line, which were penalized for unlawfully bringing opium in violation of law. I want to call particular attention to the amount of penalty imposed under the law and to the amount actually paid, which is known as the "mitigated penalty." Fines as high as nearly \$400,000 have been imposed on one ship and the Government compelled to settle for \$7,500. I also have here a fine of \$45,000 which was settled for \$500. I will first read the list:

*Penalties imposed upon masters of Dollar Line vessels as a result of the seizure of unmanifested narcotics since January 21, 1925*

Steamship	Date of seizure	Port	Penalty	Mitigated penalty
President Adams.....	Apr. 22, 1925	Boston, Mass.	\$1,842.38	\$200.00
Do.....	Jan. 26, 1925	Los Angeles, Calif.	1,750.00	( <sup>1</sup> )
President Cleveland.....	Mar. 10, 1925	San Francisco, Calif.	41,562.50	500.00
Do.....	Apr. 29, 1926	Honolulu, Hawaii	72.60	25.00
Do.....	May 19, 1925	San Francisco, Calif.	1,338.05	300.00
President Garfield.....	Oct. 20, 1924	Los Angeles, Calif.	100.00	25.00
President Grant.....	Nov. 19, 1924	Seattle, Wash.	100.00	( <sup>1</sup> )
Do.....	Dec. 17, 1928	do.	930.00	100.00
President Harrison.....	July 18, 1924	New York, N. Y.	25.00	( <sup>1</sup> )
Do.....	Oct. 2, 1928	do.	399,750.00	( <sup>1</sup> )
President Hayes.....	Aug. 15, 1924	do.	4,000.00	400.00
President Jackson.....	July 4, 1925	Seattle, Wash.	120.00	25.00
Do.....	Nov. 1, 1925	do.	64.00	( <sup>1</sup> )
Do.....	May 4, 1925	do.	17,500.00	500.00
Do.....	Mar. 12, 1928	do.	7,875.00	500.00
Do.....	Sept. 2, 1927	Honolulu, Hawaii	33,346.33	1,000.00
Do.....	Jan. 12, 1928	San Francisco, Calif.	450.00	50.00
President Jefferson.....	Mar. 24, 1926	Seattle, Wash.	150.00	50.00
President Lincoln.....	May 22, 1925	Honolulu, Hawaii	54.00	( <sup>1</sup> )
Do.....	June 30, 1926	San Francisco, Calif.	32,825.00	1,000.00
Do.....	Apr. 29, 1925	Honolulu, Hawaii	812.50	( <sup>1</sup> )
Do.....	Nov. 17, 1926	San Francisco, Calif.	85.00	( <sup>1</sup> )
President Madison.....	Apr. 22, 1925	Seattle, Wash.	157.50	25.00
Do.....	June 17, 1926	do.	30.00	( <sup>1</sup> )
Do.....	Feb. 12, 1927	do.	787.50	150.00
President McKinley.....	Mar. 17, 1925	do.	1,200.00	150.00
Do.....	Mar. 12, 1926	do.	62.50	25.00
Do.....	Nov. 7, 1926	do.	280.00	50.00
Do.....	Sept. 16, 1927	Honolulu, Hawaii	16,661.00	600.00
Do.....	July 9, 1926	Seattle, Wash.	45,000.00	500.00
President Pierce.....	Jan. 3, 1928	do.	3,000.00	325.00
President Taft.....	June 10, 1925	Honolulu, Hawaii	45.00	( <sup>1</sup> )
Do.....	Apr. 1, 1925	do.	50.00	25.00
Do.....	Mar. 24, 1926	San Francisco, Calif.	175.00	25.00
Do.....	July 14, 1927	do.	146,961.20	( <sup>1</sup> )
President Wilson.....	Nov. 3, 1926	do.	341.00	100.00

<sup>1</sup> Remitted.

<sup>2</sup> Pending.

I want to say that the reasons for these compromises for a few dollars is no fault of the officials in charge with the enforcement of the law. It is entirely the fault of the law. As I have pointed out, the old law exempts a ship from the penalty by reason of the fact that it is a common carrier, therefore the Government can only hold the master liable. Unfortunately this is not a criminal offense. It is only a penalty. The master says he has no money and the Government has no alternative



but to settle for a few dollars or to commence a civil action; obtain a judgment with no hope of ever recovering on the judgment. I want to read a letter directly on this point received from the Acting Commissioner of Customs:

THE TREASURY DEPARTMENT,  
BUREAU OF CUSTOMS,  
Washington, May 10, 1929.

HON. FIORELLO H. LA GUARDIA,  
House of Representatives, Washington, D. C.

MY DEAR MR. LA GUARDIA: I have your letter of May 6, addressed to the Bureau of Customs, requesting data in connection with the seizure of narcotic drugs on the vessels of the Dollar Steamship Lines.

I am inclosing a list containing the information you request. I might state, however, that these seizures were made not in accordance with the act of February 9, 1909, but under the provisions of the tariff act of 1922.

Section 584 of the tariff act provides that in the case of smoking opium, which is unmanifested, a penalty of \$25 an ounce shall be assessed against the master of the vessel and that the penalty shall constitute a lien upon the vessel, etc.

This provision, which in substance is in accordance with the terms of the act of 1909, to which you refer, has been construed as not holding a common carrier liable for such penalty because of the proviso in section 594 of the tariff act, which specifically exempts this class of vessel when privity can not be shown on the part of the master or the owner. I consider this matter should be called to your attention, because you undoubtedly will notice that the fines assessed are much smaller than the actual liability. To prove privity on the part of the master or the owner of a common carrier is most unusual, because they are not involved in the illegal transaction, and the only recourse left the department is to assess a penalty which may be collected with some degree of certainty and will result in greater effort on the part of the master and responsible officers to keep their vessels free from violations of this nature.

If the suit for the penalty were brought against the master, it would result in almost every case in the department's failure to collect any penalty, because masters have not sufficient property to meet a judgment that might be obtained and are in effect judgment proof.

When the act of 1922 was under consideration the department, in an endeavor to strengthen the collection of penalties, recommended to the Congress the addition of certain provisions which, it was thought, would effect this result. The last paragraph of section 584 of the tariff act of 1922 was enacted, but it has been held that this provision of law has not accomplished the department's purpose because of the proviso of section 594 of the said act referred to above. Further attempt will be made to obtain legislation on this subject.

Very truly yours,

FRANK DOW,  
Acting Commissioner of Customs.

The experience of the customs officials, as the letter from Acting Commissioner Dow shows, is the proof absolute of the necessity of the amendment of the law, and I want to congratulate the committee for its wisdom in bringing in this much-needed amendment.

MR. TILSON. Will the gentleman yield there?

MR. LA GUARDIA. Yes.

MR. TILSON. Does it not seem to the gentleman that a fine against the captain would make him more careful, because, after all, he is the lord of the ship and can make just as careful search as he desires. If he is to be personally liable in case anything is unlawfully on board, it seems to me that would be more effective than fining the owner. Why should the shipowners, who are entirely innocent, be punished when the captain, who is really at fault, because he has full and complete control, goes free?

MR. LA GUARDIA. It is only a civil penalty and the Government can only collect the fine from the captain by starting a civil action against the captain personally.

In the case of the enforcement of the narcotic law I want to say that there is no division of opinion on it. Narcotics are a curse to mankind. The Government has the full support of an undivided public opinion in the enforcement of this law. Any ship that will employ Chinese coolie labor at a few paltry dollars per month, getting those men to work for starvation wages, compelling these men to resort to the traffic of opium to eke out an existence is just as guilty a participant in the importation of opium as if they signed a written contract permitting these men to do it. You will see, gentlemen, that once the Government can reach out and libel a ship and hold the owners responsible, the employment of the crew will be entirely different.

The owners and masters will make sure that there is no opium on board if they are subject to a penalty which must be paid of \$25 an ounce. What do they care now? They are exempt from any penalty, the master shrugs his shoulders and says "I haven't got any money," and that is the end of it. In

order to save operating expenses, not only are Chinese employed as members of the crew to the extent permitted by the law, but as I have stated on the floor of the House so many times, additional men are carried on these ships as winchmen for a nominal pay of 24 cents a month and board to be transferred to other ships in this country belonging to the same line. As a vacancy occurs and they can get rid of American seamen, one of these men at 24 cents a month is transferred to fill the vacancy of the other ship. As one of these Chinamen desert and enter the country unlawfully they have the reserve ready on board ship to take his place, and yet some men who own these ships have the audacity, the temerity to talk about law enforcement. Some of these gentlemen have the cheek to sign manifestos to the American people on obedience to the law. While they are urging people to obey the prohibition law, their ships by reason of poor unfortunate Chinese coolies employed at low wages are bringing in thousands of ounces of opium subject to a penalty of \$399,750 in one ship alone. What a farce, what a mockery! I know that the committee will protect this very wholesome amendment to the law and I am certain that the American people are back of it in every one of its details. I do hope that the steamship companies and some of their "holier than thou" owners, who are so quick to give advice to the American people on law obedience, will not have sufficient power to defeat this necessary change in the tariff law.

MR. HAWLEY. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. SNELL, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill H. R. 2067, had come to no resolution thereon.

#### HOURLY MEETING TO-MORROW

MR. TILSON. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet to-morrow at 1 o'clock p. m.

MR. GARNER. Mr. Speaker, reserving the right to object, would the gentleman be willing to state to the House whether or not he hopes to-morrow to enlighten the membership as to the probabilities of a vote on this bill or whether there will be a special rule, and if so, when the special rule will be introduced and when will it be considered by the House, in order that the RECORD may show the membership when they are expected to be here for these votes.

MR. TILSON. It is the purpose of the Republicans to hold a conference in this room to-morrow at 10 o'clock, and I have asked for the additional hour in order that we may have three hours to finish our work. After the completion of the work of the conference we hope to be able to tell the gentleman more in regard to the further consideration of the bill.

MR. GARNER. I do not want to interfere with the harmony existing on the Republican side, and therefore I certainly shall not object.

THE SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

#### ADDRESS OF HON. CHARLES MCCAIN

MR. WINGO. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a speech delivered by Hon. Charles McCain before the Arkansas Bankers' Association.

THE SPEAKER. The gentleman from Arkansas asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

MR. WINGO. Mr. Speaker, under the leave granted me by the House I am printing herewith the address of Hon. Charles McCain, president of the National Park Bank of New York City, delivered at the annual convention of the Arkansas Bankers' Association in Little Rock, Ark., May 4, 1929.

The address is as follows:

#### CHANGING BUSINESS

Twenty-three years ago I made my first speech before the Arkansas Bankers' Association. Twenty-three years is a long time, but it is remarkable how quickly it can pass when measured by man's experience. This period has covered, I think, the most fascinating time in American business.

In this time the automobile has been developed to its present state, which has profoundly changed our economic, business, and social life. This, more than anything else, has speeded up our methods of living and thought. It not only has given employment to thousands of American workmen, but has broadened the vision of our people and created a demand for and made possible a better scale of living. Automobiles



naturally demanded good roads, so that to-day our entire country is connected with a network of good roads bringing the people of one section into close contact with others.

It was but natural that the speed of the automobile should have a direct effect on the operation of our railroad systems, as in order to compete on long hauls it was necessary for the railroads to provide the quickest transportation possible both for freight and passengers. The result has been to give us the finest railroad service we have ever enjoyed. With the development of quick transportation on land, the next step was the development of even a quicker transportation in the air.

As you know, the development of the airplane, both for commercial use and pleasure, has made tremendous strides within the last five years. Only last week I sat at luncheon with a partner of a large investment house in New York who is intensely interested in aviation. He has given the entire matter great study and invested large sums of money both for himself and his clients in aeronautic enterprises. He said, "Can you visualize the time when a million airplanes will be in the air over New York City?" I must confess that I could not. He said, "That is not a dream, but an accomplished fact, and one that is not in the very distant future."

Quicker physical transportation created the demand, in order to meet the new requirements of business and the new mental attitude, for more rapid communication so that our telephone and cable companies vied with each other in developing better and quicker service until finally the perfecting of the invention of the radio changed the entire history of written and spoken communication and the combination of wire and wireless sending of messages has placed the remotest villages and the most isolated farms in immediate touch with the news centers of the world.

I recently heard Mr. Louis Wiley, of the New York Times, tell a remarkable story relating to the elimination of space in communication. The New York Times has an arrangement with Commander Byrd to keep in touch with him at the South Pole. As the static was sometimes bad in New York City, the reporter having this particular assignment had a receiving station fixed up at his home on Staten Island. One day the Times office tried several times to reach this particular reporter, but each time was informed the line was busy. One of the radio operators having learned of these difficulties said that he would get him, so he called up Commander Byrd at the South Pole and told him to have the reporter on Staten Island call the Times office, and in a few minutes he called up to find what was wanted. Is it strange when the mind of man has accomplished this that still stranger and broader visions as to what can be done are being dreamed and realized each day?

Within these 23 years the moving picture has been developed and become part of the educational and amusement life of the people of the entire world. Five years ago I have no doubt that the heads of the great motion-picture companies would have said that this industry had been brought to the highest degree of fulfillment, and yet with the combination of the voice with the picture the largest company in the business has just announced that it will not make another silent "movie."

Television has already been brought to the place where its final adaptation to a combination with the radio is but a matter of months, so that in the future you will sit in your homes and not only hear the President's inauguration, a football game, or a prize fight, but at the same time actually see the entire event.

The automobile, the radio, the airplane, and the quickening of our entire economic life to meet the demand for speed not only of locomotion and transmission but of thought and mind have been carried to a point where, as Mr. Kingsley, president of the New York Life Insurance Co., recently said in an address in New York, "We do not live so much longer than our predecessors in the sum of years, but we surpass them in achievement. Measured by that standard, our average man probably lives twice as long as his ancestors did even a generation ago and five times as long as his progenitors of two centuries earlier. That is, the survivors of what may be called the 'class of 1928' will, both collectively and individually, at the age of 57, have done from 200 per cent to 500 per cent of the work, had from 200 per cent to 500 per cent of the experiences, and from 200 per cent to 500 per cent of the joys that made up the lives of their not distant progenitors at a like age. We must develop our brain power if, in terms of achievement, we are in 70 calendar years (the allotted life of man) to live 1,000 years. Can man achieve so greatly that by comparison with the work of earlier men they shall live 1,000 years? Almost certainly they can."

This has necessarily changed our entire system of manufacturing and merchandising. Henry Ford was responsible for a new economic doctrine which has made the American the richest man in the world. His theory that cost of production could be lowered by higher wages was regarded as fallacious until he exemplified it in his own plant. To-day our workmen are receiving the highest wages and producing goods at the lowest cost of any people in the entire world. Machinery has replaced man power but the volume produced is so much greater that the displaced workman has found employment in the distribution of this increased volume and in new industries supported by the in-

creased buying power and increasing demands by reason of the higher scale of living on the part of himself and his fellows.

No manufacturing concern to-day is succeeding which has not prepared itself to produce its goods at the lowest possible cost with the fewest possible men and at wages higher than at any time in its history.

One effect of American prosperity has been the ability of the people to indulge themselves in style. Twenty-three years ago a man bought for quality and durability at a price which he thought fair. Our mothers had a black silk dress to wear on Sunday and a new hat each spring and fall. Our fathers had a dark worsted suit in the winter and a light one in the summer, with a black tie and a pair of Congress shoes, all of which were of the same style year in and year out. To-day our wives have a new dress for every occasion and a hat and shoes to match, while we men wear a different suit two or three times a week with shoes and hat to match. No man would think to-day of buying a suit of clothes exactly like the one he had last season or of wearing a tie beyond the time its style appealed to him. We no longer buy a piece of material because it will last but because it appeals to us and we do not argue about the price if the fit and color suit.

It has been difficult for the manufacturer to keep up with this ever-changing style because it applies, not only to clothes but to automobiles, radios, lawn mowers, breakfast foods, office supplies, and, as a matter of fact, to about everything we use. He must manufacture several months ahead, and if he fails to catch the fancy of the buying public when his goods are offered to them, he shows a loss rather than a profit. His inventory is immediately obsolete.

This has naturally led to a great change in merchandising methods, because with the money to gratify the taste and easy transportation to market, the shopper is no longer confined to the country store or to the emporium on Main Street, but buys where he finds the thing he wants. To hold some of his trade the local merchant has had to change his methods and keep up to date or go out of business. There is no question but many of these have realized the changed conditions under which they are operating and, as a result, stores in many of our smaller communities to-day would do credit to New York.

This changing condition has given the chain store its great opportunity, as it has put the same class of goods under the same progressive management in all of its stores and used its power of buying in quantity and selling for cash to retail the goods in a way which makes it difficult for the individual merchant to compete at a profit. Ever resourceful, however, many of these individual merchants, by reason of sheer ability applied to their own business and catering to the individual likes of their community, have been able to successfully hold their own.

No class of business has been more affected by these changed conditions than the wholesale and jobbing, since to-day we find the wholesale distributor hard put to it to make the profit to which he is entitled for the risks he takes, although there has been a tremendous awakening on his part for the necessity of revamping his business, whether it is in drugs, hardware, groceries, or dry goods, to meet the new conditions brought about by quicker transportation, different merchandising, and change of style.

These conditions in all lines of industrial activity, together with other complicated problems of management and distribution and with the constant demand for greater volume with higher efficiency, have naturally led to consolidation into larger units.

The consolidation and the expansion of business have been made possible during this period by the ability to finance through the sale of securities to the public which did not exist 23 years ago. At that time it was possible to sell a high-grade bond of a railroad or a first mortgage on real estate to the public, but even first-mortgage bonds on large industrial plants, such as the Steel Corporation, were sold with difficulty, and such a thing as a department store, a perfumery establishment, or a bakery shop selling a debenture or a preferred stock was unknown. The public simply would not buy. They had plenty of opportunity to invest their funds in more attractive securities. Since the war, however, a tremendous demand for new security issues has arisen in order to employ the surplus funds of our people, and an equal eagerness on the part of the security houses to supply this demand naturally followed. As a result the public buys and the investment house sells to-day stocks, bonds, and debentures of every kind of business from perfumery to locomotives and from automobiles to hair nets. It looks as if the public will buy any security offered, and as a result capital has been made available to a degree never before known in this country.

With these changes have come about equally great changes in the banking business, because we are affected as our customers face new conditions. We formerly supplied the capital for current business. There was no Federal reserve system and the banks in the reserve cities, and particularly New York, acted as the reservoir for the surplus funds of the country and met the current demands for business and agriculture as they arose. Since the establishment of the Federal reserve system the reserves of the banks of the country are now widely distributed and the burden of financing current business and crop movements is spread over the 12 Federal reserve districts.



Furthermore, since the severe lesson of 1920, together with the ability to sell securities to the public, many concerns, large and small, have felt it wise to finance all expansion by public issues, either debentures or preferred stock, and to operate with large cash reserve, keeping bank lines open for unforeseen emergencies. This has had the effect, first, to lessen the contact of the bank with its commercial customers, and, second, to put the customer in competition with the bank, because with an accumulation of surplus funds it is but natural to seek their profitable employment, so that to-day the treasurers of many companies pride themselves on the investment and return on surplus funds as much as the sales manager does on his sales and profits from merchandise.

This has brought about much of the concern in the present financial situation. For years the New York call loan market has served to employ surplus funds of the New York banks, and, through them, surplus funds of the larger banks throughout the United States. There has never been discrimination against commercial and industrial loans to take care of stock exchange loans, but this has been used entirely as a vehicle for the employment of surplus funds except in unusual emergencies from time to time where the prosperity of the country was at stake.

Surplus funds of the New York banks from day to day, together with the surplus funds of outside banks loaned through them, were ordinarily sufficient for the operation of the exchange. Commercial and industrial loans were always given preference, and so at times call money became temporarily high until business loans declined. Trading, therefore, slowed up—the demand for call loans fell off, so that the situation usually righted itself without great disturbance to the ordinary machinery of the exchange or the business of the country, except in two or three periods, such as in 1907 and again in 1914. One of these was before the establishment of the Federal reserve system and the second when we entered the World War.

Within the last year, however, an entirely new condition has arisen. Due to the accumulation of gold in the United States as a result of the war to an amount hitherto almost beyond the possibility to conceive, and the consequent trend of gold away from all other countries of the world to the extent that the amount held by them was less than at any time in our modern financial history, the United States entered into the greatest period of prosperity which it has ever enjoyed. With this gold basis, credit expanded and became easy. It was a very different prosperity from that of 1918 and 1919, because our various industrial enterprises and mercantile establishments had small inventories, and where they expanded did so only after proper long-time financing. Commodity prices did not rise in proportion, so that business during this period of prosperity has been as sound, and is now as sound, as at any time in our history.

The central banks of Europe were looking for the time when they could return to a gold basis and, unquestionably, our Federal Reserve Board was in sympathy with this, as American trade and American business would be assisted by Europe's reestablishment on a sound, financial basis. Apparently the Federal reserve banks cooperated with this end in view to an extent where the discount rate at the Federal reserve banks was kept lower than our domestic business warranted, as a result of which, within a period of 12 months, some \$750,000,000 of gold were withdrawn from the United States. The contraction which this brought about was not at first apparent, nor was it sufficient to stem the tide of prices on the New York exchange, which had secured a tremendous impetus on account of the prosperity of the country, cheap money and an increasing desire on the part of the people to speculate. The number of companies whose stocks were traded in on the exchange was greatly increased. The Ford Co. was going through the process of redesigning their car and under progressive and intelligent management the General Motors Corporation took advantage of this unusual opportunity in the low-priced car field, in connection with the pushing of their other models, as a result of which they had the greatest business of any industrial concern in our entire history. Their stock constantly advanced and served as a market leader in the spectacular rise of a number of other industrial issues.

We had, therefore, a constantly rising market with constantly increasing customers and constantly increasing number of shares of various companies to be traded in, until recently we reached the tremendous total of a 10,000,000-share day on the New York Stock Exchange.

In the meantime, and beginning about one year ago, the contraction of credit by reason of the withdrawal of gold began to be felt, but this did not serve to lessen speculation or the demand for brokers' loans. Warnings were given out by the Federal Reserve Board, rediscount rates were increased, and when these were not heeded the Federal reserve banks then began, some five months ago, a consistent selling of Government securities held by them, and discontinued the purchasing in quantity of acceptances until they had withdrawn over \$1,000,000,000 of credit in this way. Credit became more difficult for brokers to obtain, so they met this with an offer of higher rates, since their customers were buying in an advancing market, where they felt their profit would be far larger than any rate which they might have to pay. These rates would not have attracted the clearing-house banks,

had conditions been the same as in previous years, but our larger concerns and wealthy individuals became attracted by these unprecedented rates on high-grade collateral and having surplus funds to invest, not employed in their business, loaned these funds to the brokers. This in turn gave the market an impetus, and so it has continued, until we find brokers' loans standing to-day at approximately \$6,000,000,000, with only two and one-half billions provided by the banks of the country and three and one-half billions provided by others. It is an unusual situation when a banker finds himself lending a customer at 5½ per cent and some two weeks later, if that customer receives an amount of money which enables him to pay off his note and leave a surplus, the banker is requested to lend that for him at 20 per cent.

I do not think the danger lies in the amount of the call loans. Personally, I doubt if brokers' loans are high in comparison with the business done 10 years ago, but it lies in the manner in which this money can be withdrawn without creating great harm, for just as surely as a demand comes in any business to use its funds, where they are lending on call, they will be withdrawn by that concern, or if a lack of confidence should develop in the security of such loans, private individuals and corporations would withdraw and put their money in the banks or in some other form of short-time investments. In ordinary times the banks could regulate this. To-day "for others" control the situation and no one can control them. The funds for the call-loan market should unquestionably be supplied by banks rather than individuals and corporations, and so in this change of our business we have seen an entirely new condition arise with which we are still struggling.

The question is frequently asked as to how call loans can be reduced. Frankly, I see no way for them to be reduced materially except by a reduction in the prices of stocks, which will have to come about either by a drastic decline or by a slow decline, which is the method that the Federal reserve banks, as well as the member banks, hope to see bring about the cure to this situation, or by a stabilization of prices for a sufficient period to enable the public to pay in full for securities on which they are now borrowing.

The banking business, and especially that part of it represented by institutions with small resources in the agricultural sections, received a terrible blow in 1920 and from this many have never recovered. This did much, I think, to create a demand for larger institutions because these institutions suffered less during that period. The trend in our industrial life for larger and larger units created a demand in the minds of bank officials and bank stockholders for larger institutions until to-day we have mergers of banks in almost every city of the United States. There were 689 mergers and consolidations among the banks of our country last year; \$100,000,000 was formerly our standard. To-day it is \$1,000,000,000.

We shall see, I think, a further grouping and merging of banking interests in various cities of the country. It seems to be demanded by the times, although I sometimes wonder if it is for the best interest of the customer as well as the stockholder. Time alone will tell. It is interesting that my own bank is the largest in the United States, which has attained its present size without merging or consolidating with any other institution.

I have tried to paint for you somewhat a picture of the changing times in which we live and do business. Through it all goes a motif of speed, more speed, action, efficiency, drive, with every device that the ingenuity of man can conceive for aiding in filling the hours and days with more work and more pleasure because the demand for the latter has grown along with the demand for the former. Our business is never at rest. The changes are so fascinating and the problems each day presents are so intensely interesting that I would rather play my part in the drama of business to-day than at any other time, and so I am sure would you!

#### EXTENSION OF REMARKS—THE TARIFF BILL

Mr. O'CONNOR of Louisiana. Mr. Speaker and Members of the House, under the general leave to extend remarks in connection with the consideration of the pending tariff bill, I desire to submit for the consideration of the members of the Committee on Ways and Means and the other Members of the House, the following views with reference to the necessity of adopting such a course as will give adequate protection to American manufacturers and importers of burlaps, bags and bagging, sugar-bag cloth, and cotton patching.

These views have the support and approval of Carolina Bagging Co., Henderson, N. C.; Charlotte Bagging Co., Charlotte, N. C.; Mente & Co. (Inc.), New Orleans, La.; Riverside Mills, Augusta, Ga.; Julius Friedlander & Co., Atlantic Jute Mills, Norfolk, Va. Before doing so, however, I know you will indulge me while I make a passing comment upon the remarks of Congressman DENISON as they appear in the CONGRESSIONAL RECORD of May 21 in regard to inland waterways, and the decision of the United States Supreme Court in the O'Fallon case. Mr. DENISON has been for years an outstanding advocate of flood control and the development



of our waterways so as to make the latter what nature intended they should be—the basis of our domestic transportation system. I have never yet questioned the accuracy of his statement and that of others apparently equally well informed as to the economics involved in water and in land rates, and as a consequence I have industriously and as zealously as I possibly could aided and assisted him and them in making for the enlargement of the Mississippi River Barge Line. But one thing is absolutely certain to my mind, and its fulfillment is inescapable as a logical conclusion if it be determined once and for all with mathematical certainty that barge or steamboat service upon our rivers makes for an economy not only in the section contributory to the rivers but to the Nation as a whole, and that is that if the transportation act is to be revised from top to bottom and fundamental changes made legislatively to meet the new order of things as made necessary by the Supreme Court decision and the very economy so persistently urged by Mr. DENISON and others, the new act will have to provide for the operation of water carriers by the railroads themselves, with permission given to the latter to choose and determine the character of freight that shall move by water and that which shall move by land and that which shall move by both water and land.

To say that the railroads will not be willing to operate in accordance with economic law and effect vast savings if the statement of the proponents of waterways be correct, is to charge the railroads with a degree of incompetency and incapacity tantamount to an asininity not paralleled even in the darkest age of commerce. The new act, if there be one on transportation, should have such provisions in it as would encourage the railroads to enlarge and expand their systems so as to secure all of the benefits that may lie in water-carrier service. If the contentions of the river barge and boat service advocates and champions be correct it is only a matter of time when railroads will run at right angle to rivers, connecting up at various points with water carriers which will be a part of the railroad-transportation system. Man may resist man-made laws and overthrow them, and he may even temporarily obstruct the operation of the great laws of nature, but his efforts vanish into thin air when he endeavors to permanently offset the movement of a law which is registering its will night and day in order to secure the acme of its fulfillment. If water service for commercial purposes is economically cheaper than railroad or other land service, when all of the facts, circumstances, and conditions are considered and form a part of the picture, then the triumph of water service is inevitable and inescapable.

And now to return to our mutton: I submit my views and those of my constituents in the form of a petition, and trust that, as a result of the sheer force of the reason which they establish for the protection sought, that their exposition in the manner and form submitted will bring that conviction which will secure their adoption and vindication.

To the Ways and Means Committee and the Members of the House of Representatives:

Your petitioners are interested in four paragraphs of the present tariff law, as follows:

"1019. Bagging for cotton, gunny cloth, and similar fabrics, suitable for covering cotton, composed of single yarns made of jute, jute butts, or other vegetable fiber, not bleached, dyed, colored, stained, painted, or printed, not exceeding 16 threads to the square inch, counting the warp and filling, and weighing not less than 15 ounces nor more than 32 ounces per square yard, six-tenths of 1 cent per square yard; weighing more than 32 ounces per square yard, three-tenths of 1 cent per pound.

"1516. Waste bagging, and waste sugar-sack cloth.

"1582. Grasses and fibers: Isle or Tampico fiber, jute, jute butts, manila, sisal, henequen, sunn, and all other textile grasses or fibrous vegetable substance, not dressed or manufactured in any manner, and not specially provided for.

"1651. Rag-pulp; paper stock, crude, of every description, including all grasses, fibers, rags, waste, including jute, hemp and flax waste, shavings, clippings, old paper, rope ends, waste rope, and waste bagging, and all other waste not specially provided for, including old gunny cloth, and old gunny bags, used chiefly for paper making, and no longer suitable for bags."

#### I

As separate and independent manufacturers of jute bagging for covering bales of cotton whose plants are owned by American capital, located in America, operating American-made machinery, employing American labor, and under American management, we make three requests of this committee:

(1) That the duty on bagging in paragraph 1019 be increased to 1½ cents per pound, if possible, or at any rate to not less than 1 cent per

pound. Some of the manufacturers would be content with the 1-cent figure while others insist that 1½ cents is necessary to afford needed protection.

(2) That jute and jute butts remain on the free list, as at present. That there also remain on the free list the items covered in paragraphs 1516 and 1651 that are used as our raw material, such as: Waste bagging, waste sugar-sack cloth, and also other waste, including jute waste, old gunny cloth, and old gunny bags no longer suitable for bags.

#### II

The plants represented in this brief produce annually the jute bagging used to cover 2,500,000 bales of American cotton. This bagging is made from: (a) Old jute bagging from bales of cotton; (b) raw jute butts; (c) old sugar bags.

The old bagging from bales of cotton is a waste product which is purchased from domestic cotton mills or is imported as a waste product from foreign mills using American cotton. The utilization of this waste product from American cotton bales is a striking and commendable example of efficiency in converting a waste product into a usable commodity.

The raw jute butts are imported from India, which furnishes practically the entire commercial crop of jute. No jute has ever been produced in the United States, and there is no probability that there ever will be. Soil, seasons, and peculiar climatic conditions have confined the commercial growth of jute to India and a small portion of China. There has been no suggestion that the American farmer is or ever will be interested in raising jute. Nature has eliminated it from this discussion as an American crop.

#### III

The manufacture of jute bagging is not protected by the present tariff rate. The difference in labor cost between the United States and India is more than 1 cent per pound. The wages of foremen are over twice as high in the United States as in India, and the wages of other labor varies so greatly to the detriment of the American manufacturer that it is a fair and conservative statement to say that the cost of making jute bagging in India is one-third to one-half, or even less, what it costs in the United States.

One of the largest manufacturers of jute bags is responsible for the statement that his company could manufacture the bagging in India cheaper than could be done here if the jute was given them in their plant in America free of cost. The differential necessary therefore to protect the American manufacturer and laborer against the cheap Indian labor would be the value of the raw material. The cheap ocean freights and the option of landing bagging at any south Atlantic or Gulf port without additional charge fully offsets the transportation cost of foreign bagging, as compared with the cost of inland transportation on domestic bagging.

A representative of one of the largest American companies that has moved its machinery from the United States to India and now operates plants with Asiatic labor, stated to your committee at the hearing on this subject that his company was passing on to the buyer of jute bagging a reduction of about two-thirds of a cent a pound on account of the low cost of Indian manufacture. If this splendid business organization passes on to its customers a reduction of two-thirds of a cent a pound, we could hardly presume that they keep for themselves less than one-third of a cent per pound; and this makes the minimum differential requested of 1 cent per pound appear extremely conservative.

A representative of one of these American-Indian manufacturers was quoted in 1921 as saying: "In Calcutta we can get operatives at 10 to 15 cents a day."

We submit as an exhibit with this brief a statement from the Cordage Trade Journal of October 20, 1921, which gives a graphic picture of the situation which we have to meet, and which should be of genuine interest to the committee.

The lack of any regulation in India against the number of working hours per week makes more difficult the position of the American manufacturer. With an 81-hour week in India, the need for tariff protection is too clear to need argument.

The following figures showing the wage scale in an Indian jute mill in Bengal in 1923 are quoted from a copy of figures published by the Department of Statistics, Calcutta, India:

Average mill wages per week	
Carders	\$0.94
Spinners	1.62
Weavers	2.98
Average	1.80

#### IV

The imports of jute bagging are showing such a tremendous increase as to prove what menace to the American producer lies in the present ineffective rate of duty. The making of domestic bagging has decreased and imported bagging has increased year by year. In 1927 the American crop of cotton was 12,950,043 bales. For comparison the crops nearest to 1927 in amount are used. The crop of 1918 is not considered because, on account of war conditions, a very small amount of jute bagging was imported.



Year	Bales of cotton produced	Pounds of jute bagging imported
1912	13,703,421	11,262,326
1920	13,439,603	14,523,808
1924	13,627,936	58,790,136
1927	12,956,043	101,531,400

We understand that some official sources give the imports of bagging in 1927 at 113,000,000 pounds.

## V

The direct export of jute bagging, if any there is, is purely negligible. The bagging produced by your petitioners is old and used in the United States for covering American cotton. Much of this bagging, of course, goes abroad as covering for this cotton. But the bagging is not exported by itself. It can not be. The only field and market for the American producer of jute bagging is the United States.

The number of manufacturers of jute bagging for cotton that will be available to the Nation in time of war and furnish healthy and needed competition in time of peace has been reduced to a bare handful, who are seeking to survive against the low standard of living and cheap wages of East Indian competition. American labor and capital engaged in the manufacture of jute bagging in the United States now have a margin of but three-tenths of a cent per pound—counting bagging as 2 pounds to the yard—between them and foreign competition, which manufactures this bagging in India with unbelievably cheap oriental labor and sells it in this country in competition with American-made goods.

## VI

The jute-bagging manufacturers ask that this increased duty on jute bagging be given to compensate for the difference in labor cost between bagging manufactured in India and bagging manufactured in America. They ask for this duty on the assumption that their raw material will remain on the free list as it is to-day. If any duty should be put on such material, they ask, of course, that an equalizing compensatory duty be given to them in addition to the duty they ask for their manufacturing cost.

## VII

We earnestly request that the plea for a duty on our raw material be not heeded by this committee. In the testimony presented at the hearing several witnesses went into this matter and it is not our purpose to retell the testimony given in person. We do wish to emphasize, however, the fact that there is no jute grown in the United States, and therefore no jute-growing industry to be injuriously affected by lack of tariff.

It is also essential that waste bagging, waste sugar-sack cloth, and the other wastes, including jute waste and old gunny cloth and old gunny sacks no longer suitable for bags, be kept on the free list.

The plea that if jute bagging was made more expensive by the placing of a duty on the raw material that the cotton planter would turn to bagging made of cotton and so help the disposal of the American cotton crop, is unethical and would lead only to future trouble. Such a procedure would be effective in eliminating entirely the industry of making jute bagging.

The theory of putting a stop to the importation of a raw product which is not produced in this country and thereby destroy an American industry which uses this raw material in the hope that the consumer may be forced to substitute another commodity is economically unsound and also un-American. No group or class of American citizens has the economic or political right to ask the Government to destroy industries manufacturing products for which their own products might be substituted.

## VIII

In 1927 900,000,000 pounds of jute and jute products were imported into the United States. India's annual consumption of American cotton is estimated at 600,000 bales. If the American market for Indian jute is destroyed, their purchasing power for goods made of American cotton will be directly affected. The tendency will be to reduce the price of American cotton offered in Europe.

If India can not sell its jute it can sell its cotton, and with the jute market cut off would naturally direct a great part of this labor to the production of cotton, which would compete with American cotton in Europe. The direct result would be to depress the price of American cotton in Europe. A very large percentage of American cotton is sold in Europe, and the price which the American farmer receives for his cotton is governed, not by the American market, but by the world market.

## IX

The American manufacturer of jute bagging is making only a fair request for the continued existence of his industry. He must have additional duty on his bagging. The difference between the price of oriental and American labor is too glaring to need discussion before

this committee. The only question is, what tariff differentiation will enable the American-made products to compete on a fair basis with bagging produced in India? The differentiation that we ask—from 1 cent to 1½ cents per pound—is conservative and reasonable. The minimum differentiation of 1 cent per pound is certainly the lowest possible figure that will protect the American manufacturer and laborer, and a careful comparison of the cost of production here and in India shows that it would probably take 1½ cents to bridge the difference here and there.

The retention of our raw material on the free list is earnestly asked because any other policy would have the effect of injuring the jute-bagging industry, and perhaps eliminating it, and would be of no real advantage to the producer of cotton. The proposed substitution of another commodity would result in penalizing every American farmer and industrialist, and these number many times those persons whom the proposition is intended to help.

Mr. SMITH of Idaho. Mr. Speaker, the measure under consideration is, in my opinion, one of the most important and far-reaching tariff measures ever designed by this House. It attempts to meet to the fullest possible extent the platform and campaign pledges of the Republican Party to the farming industry that it shall have protection equal to that enjoyed by industrial and manufacturing activities.

At the outset I wish to state that the Members of this House and the farming communities of our country, as well as those engaged in industrial pursuits, owe a debt of gratitude to the great Ways and Means Committee, under the wise and conservative guidance of its very able chairman, Mr. HAWLEY, for the scope, clearness, and conciseness of the bill, presenting as it does the result of months of untiring, painstaking, studious, and laborious effort. This master measure, if enacted as introduced, will ring down the hall of time as a priceless heritage to coming generations, who hold the development of our national resources and the safeguarding of our industries against the intrusion of the sweatshop goods and cheap-titled products of the fields of foreign countries as of first importance to the best interests of the American people.

True to his campaign promise, President Hoover called the Congress in extra session to deal with legislation for farm relief and such changes in the tariff as would be beneficial to agriculture.

The measure before us is in accordance with the views expressed by the President in his concrete message, containing constructive suggestions covering the subjects beneficial to agriculture which have engrossed the interest and attention of the farming industry for several years. Among other questions of vital importance to agriculture the President added:

\* \* \* An effective tariff upon agricultural products that will compensate the farmer's higher costs and higher standard of living has a dual purpose. Such a tariff not only protects the farmer in our domestic market but it also stimulates him to diversify his crops and to grow products that he could not otherwise produce, and thus lessens his dependence upon exports to foreign markets.

The great expansion of production abroad under the conditions I have mentioned renders foreign competition in our export markets increasingly serious. It seems but natural, therefore, that the American farmer, having been gradually handicapped in his foreign market by such competition from the younger expanding countries, should ask that foreign access to our domestic market should be regulated by taking into account the differences in our costs of production.

More than a half century ago the late Speaker of this House, Samuel J. Randall, in his day one of the wheel horses of the Democratic Party, prophesied that the time would come when the policy of tariff protection would be universally adopted by our people as a guaranty against foreign competition.

It does not seem, however, that the prediction of that far-visions statesman has as yet been entirely fulfilled. But in place of the old legislative nostrums of "free trade," "tariff for revenue only," and other tariff vagaries of the past, the Democratic platform adopted at Houston, Tex., in 1928, declared in favor of a "competitive tariff." The term was coined, so it is alleged, by the late President Wilson, and was used quite frequently by the late Senator Underwood, when, as chairman of the Ways and Means Committee of the House, the Underwood bill was under consideration.

Briefly, what does "competitive tariff" mean? It means a tariff that will permit of foreign competition in farm and factory products.

First bearing one designation, then another and another, by a process of elimination, the Democratic opponents of protection now regale us with a comparatively new and euphonious title for plain, every-day "free trade," by labeling it a "competitive tariff."

If I had the time at my disposal I should like to give a legislative résumé to demonstrate with what unerring and consistent



fidelity the Republican Party, since its birth in 1856, has supported the principle of a protective tariff as compared with the consistent, strenuous, and sometimes vehement opposition of the Democratic Party.

I will, however, quote an extract from the Republican platform adopted at the Kansas City convention in June, 1928, to demonstrate how earnestly the Republican Party is keeping faith with the agricultural classes.

\* \* \* A protective tariff is as vital to American agriculture as it is to American manufacture. The Republican Party believes that the home market, built up under the protective policy, belongs to the American farmer, and it pledges its support of legislation which will give this market to him to the full extent of his ability to supply it.

Agriculture derives large benefits not only directly from the protective duties levied on competitive farm products of foreign origin, but also indirectly, from the increase in the purchasing power of American workingmen employed in industries similarly protected. These benefits extend also to persons engaged in trade, transportation, and other activities.

\* \* \* It is inconceivable that American labor will ever consent to the abolition of protection which would bring the American standard of living down to the level of that in Europe, or that the American farmer could survive if the enormous consuming power of the people in this country were curtailed, and its market at home, if not destroyed, at least seriously impaired.

The Republican Party's policy of protection for our agricultural interests is a well-considered economic policy of permanence, based on a knowledge of world-wide competitive conditions.

American agriculture must have protection in the form of a high tariff if it is to keep control of its own home markets. The Fordney-McCumber Act gives protection to more agricultural products than any previous tariff; gives higher protection to all agricultural products than any previous tariff, and places more manufactured commodities on the "farmers' free list" than any previous tariff.

We do not have to stretch our memories to recall that under the Democratic Underwood tariff a larger quantity of agricultural imports of all kinds passed through our customhouses than ever before in the history of this country. These imports included corn, livestock, and meat products from the Argentine and Canada; lamb and mutton from Australia, New Zealand, and England; potatoes from Cuba, Canada, and Bermuda; onions from Spain and Egypt; eggs and dairy products from Denmark, Canada, and New Zealand; and other agricultural products from various quarters of the globe. All of these imports were admitted free of duty under the provisions of the Underwood tariff.

The Republican Party, controlling both branches of Congress elected in 1918, attempted to carry out its platform pledge to the farmers in the campaign of 1920. At the third session of the Sixty-sixth Congress, convened in December, 1920, an emergency farmers' tariff bill was introduced in this House which provided for substantial protection to agricultural products in striking contrast to the lack of any protection under the Underwood tariff then in effect.

That protective tariff measure especially designed to assist the farmer was opposed on the floor of the House by the Democratic leaders and by practically all of the Democratic minority. It passed the House. In the Senate it met with the opposition of the Democratic minority, but the Republican majority passed it February 16, 1921. It suffered the fate of all protective-tariff measures at the hands of the Democratic administration—President Wilson vetoed it.

For this act President Wilson was lauded by every orator at the Democratic National Convention as one of the three greatest leaders the Democratic Party ever had.

But on April 11, 1921, the newly elected Republican Congress was convened in special session by President Harding. Almost immediately the farmers' emergency tariff was reintroduced, and it was speedily passed, becoming a law May 27, 1921.

This legislation was also strenuously opposed by the Democratic minority in Congress. That tariff law applied solely to agricultural products. It remained in effect until the passage of the Fordney-McCumber tariff in September, 1922, when its agricultural schedules were embodied in the Fordney-McCumber law with comparatively few changes.

It is a matter of record, according to the report of the Tariff Commission, that during the 16 months between the enactment of the farmers' emergency tariff and that of the Fordney-McCumber bill, the farmers' emergency tariff had—

First. Appreciable diminished agricultural imports.

Second. Checked the precipitous decline of agriculture prices.

Third. Operated to maintain a higher level of prices in the United States for all kinds of agricultural products than prevailed in any other country.

Fourth. That it directly and positively operated to save the cattle, sheep, and wool industries from absolute ruin.

All facts justified the schedules of the farmers' emergency tariff being incorporated in the Fordney-McCumber Act, and all agricultural interests joined in the active desire to have them included.

The agricultural organizations of the country, representing bona fide producers, dictated the agricultural schedules of the Fordney-McCumber Act.

There was every reason to believe that the protective schedules of the farmers' emergency tariff, which saved American agriculture from complete prostration, would have a continued beneficial effect if embodied in a permanent tariff act. The operation of the Fordney-McCumber tariff has justified that belief. Under that tariff, and because of it, all our agricultural and livestock interests have been immeasurably benefited. No amount of deliberate misrepresentation can change that view. The proof is easy of access and indisputable.

The Fordney-McCumber Act of 1922 has more than justified itself in the expansion of our foreign trade. From a domestic export in that year of a little more than \$3,000,000,000 in 1927, it has jumped to over \$4,000,000,000. During the same period imports have increased from a little more than \$3,000,000,000 to over \$4,000,000,000. The present tariff law has not hampered the natural growth in the exportation of American agriculture, industry, and mining, nor has it restricted the importation of foreign commodities which this country can utilize without jeopardizing its economic structure. This has been accomplished in spite of the dire prophecies of our calamitous critics—the Democratic Party.

This country is the largest customer for agricultural and manufactured products in the world to-day. If we were not prosperous and able to buy, the rest of the world also would suffer. The great expansion in the wealth of our Nation during the past 50 years could not have been accomplished without a protective-tariff system designed to promote the vital interests of all classes.

In March, 1925, when requested by the President's agricultural conference for his suggestions for agricultural relief, among other things the then Secretary of Commerce Herbert Hoover stated:

\* \* \* A protective tariff on imports of agricultural products so that our American farmers might have the job of profitably producing as large a part as possible of the wool, flax, dairy products, vegetables, oils, etc., which we now import. By such protection the American farmer would be able to sell more of his produce in his own market and be less dependent in raising products for export to foreign countries in competition with cheap lands and cheap labor.

That we must promote general business and industrial stability with continued full employment of our workers in order to provide the strongest domestic demand for farm products.

I recommend a reduction of costs in the transportation of what the farmer sells and what he buys.

Let me quote a paragraph from a magazine article of March 19, 1926, in which Herbert Hoover stated:

Our farmers have the highest standard of living in the world. That standard must be maintained. In order, therefore, to compete on an equitable basis, nothing must be left undone to economize in the costs of transportation. Every cent thus saved goes into the pocket of the farmer. For when the farmer is a competitive seller in a foreign market, the freight rate comes off his price.

In an address delivered by Secretary Hoover at Topeka, Kans., October 26, 1926, he uttered this word of warning to the farmers of the country:

When our opponents discuss reducing the tariff they mean not alone reducing the tariff on cotton goods, steel, or typewriters; they mean also to reduce the tariff on wheat, on wool, on meat, butter, flaxseed. I do not for one moment believe that the farmer wishes to abandon this great measure of protection.

The dairy industry has become one of the leading agricultural industries of America. The value of its annual products exceeds \$3,000,000,000. Much of its development has been due to Republican legislation in addition to the tariff protection a Republican Congress gave to dairy products.

The Sixty-seventh Congress enacted the filled milk act and butter standards act, the purpose of these measures being to protect milk and butter from adulteration and to prevent the shipment in interstate commerce of milk and butter below certain standards fixed by law unless it was so labeled. As a result of this wise legislation adulterated products which, be-



cause of their cheap production, had been driving the pure products out of the market, were practically eliminated in interstate commerce.

Another industry which has tremendously developed in the last few years is that of small fruits and vegetables, generally known as the truck-gardening industry. The value of the products of this kind in 1927 was in excess of \$1,250,000,000.

Taking cognizance of the importance of this growing industry, which helps to diversify agriculture, the Republican Congress enacted what is familiarly known as the antidumping law. The purpose of this law is to prevent commission agencies from destroying or dumping fruits, vegetables, and other perishable farm products in order to hold up the market.

Since the Republican Party came into power a large number of other acts especially intended for the protection of agricultural products have been enacted. Among these are the packers and stockyards act, the grain futures act, the United States grain standards act, the United States cotton standards act, and others.

It was under the direction of President Hoover, then Secretary of the Department of Commerce, that the foodstuffs division of that department was established. This division has for its purpose acquainting agricultural producers with the world's situation in foodstuffs.

The division combs the world for information affecting directly and indirectly the production, manufacturing, and marketing of food materials of all kinds; and whatever information it gathers of value to the American farmer is immediately relayed by the Department of Commerce through its distribution service, which reaches more than 10,000,000 people.

The Department of Commerce also specializes in its efforts to promote export trade in farm products. New markets are constantly being sought through the agencies of this great department.

The history of sugar prices during the last 50 years shows conclusively that every time the sugar interests obtain control of the American market prices have advanced. The record of sugar prices year by year shows that during that period of the year when sugar is coming into market from our own sugar-beet and sugar-cane fields, enabled to exist because of the protective tariff, the price of sugar goes down, but during that period of the year when practically the only raw sugar coming into the market is from the West Indies, the price is shoved up.

The truthful conclusion of all this is that a tariff on sugar, instead of increasing the cost of living to the American home, keeps down the cost of sugar by maintaining the American sugar-beet and sugar-cane industries as active competitors of the Cuban and West Indian sugar interests. Were they driven out of business, as they would be under a "competitive tariff," the price of sugar would be limited only by the refusal of American consumers to pay more. Just prior to the enactment of the present tariff the price of sugar was raised to over 20 cents a pound.

The development and expansion of our sugar-beet industry is yet in its infancy. If it does not receive the support and encouragement which a protective tariff affords, necessarily it will collapse. That is the crux of the situation.

I am in hearty accord with the suggestions of the Idaho State Tariff Committee that the present duty on raw sugar against Cuba should be increased to \$3.52 per hundredweight, and the free entry from the Philippine Islands should be limited to 500,000 tons.

The domestic sugar industry, which includes the farmers who are serving the factories, is now passing through a very serious crisis, and unless relief is obtained in the way of restrictions on free-duty sugars that are entering our ports, and a substantial increase in the tariff rate against Cuba, the industry is not likely long to survive.

An extract from a pertinent statement by Congressman KETCHAM, of Michigan, is here quoted:

Real relief from intolerable competition is what the domestic sugar industry needs. The farmer must have relief. The American Farm Bureau Federation, the National Grange, and the Sugar Beet Growers Association have proposed an increase in the sugar tariff as the most practicable method of redeeming campaign pledges. Let's give the sugar farmers an equal chance in their home market to sell their crop at a fair price and to meet foreign competition here.

For the lack of adequate protection of the American sugar industry we must have a vivid recollection that in 1920 foreign producers fixed the American sugar prices, forcing them up to 25 and 30 cents per pound.

Consumers have paid reasonably higher sugar prices without complaint. The proposed increase in tariff on sugar is only two-thirds of a cent per pound.

There is no man in Congress better qualified to speak authoritatively on the sugar-beet question than is Congressman TIMBERLAKE, of Colorado. He includes in this brief, terse manner a statement unanswerable in its support of a higher duty on foreign-produced sugar:

\* \* \* The issue presented by sugar is: Shall protection be extended to American farmers and American capital at home or shall our markets be opened under more advantageous terms to foreign producers financed largely by American capital invested outside of the United States?

In the Farm Journal for March, 1929, Hon. PEDRO GUEVARA, Resident Commissioner for the Philippines in Washington, among other things, had this to say about the Philippine production of sugar:

\* \* \* In a word, the possibilities of the Philippine Islands are such as to produce sufficient sugar to supply at least the major portion, if not the whole demand, of the American sugar market.

I ask, Mr. Speaker, if it is fair to our home industry to admit this sugar duty free?

The following is a brief extract from a statement made by Congressman HAUGEN, of Iowa, on the wisdom of protecting our sugar industry:

\* \* \* My understanding is that the beet growers of our country are producing with higher costs and under higher standards of living than abroad, and that they are entitled to protection of the tariff. \* \* \*

If it be argued that America's high wages, and high living standards are not attributable to the protective tariff, then to what policy can they be attributed?

Our industries are prosperous because, confident of the stability of their home market due to a protective tariff, they can adopt mass production methods, which they could not do if they were in a state of uncertainty and produced on a "hand-to-mouth" basis.

Attracted by America's market—the largest and richest in the world—European producers are pooling their forces and resources in concerted attack on our protective tariff. It is to obtain a larger share of America's marvelous markets that foreign nations and foreign producers—both industrial and agricultural—are pooling their forces in a determined effort to break down the existing protective-tariff system in this country.

If this concerted foreign attack should prove successful it means a repetition, not merely of former disastrous experiences under a low or competitive tariff but experiences far worse than any heretofore, because European competition would be more deadly than heretofore.

In opposing this great measure the Democratic Party is running true to form. It has a long unbroken record of attempts—sometimes successful—to hamstring tariff protection designed to foster, develop, and maintain our industries. It has repeatedly and consistently missed the tariff substance and grabbed at the free-trade shadow. Paraphrasing the words of Shakespeare, if the Democratic Party had served the people with half the zeal it has served the fallacy of "free trade" it would not now in its great age be stripped of a glorious past.

Perhaps as the free-trade districts of our Democratic friends become industrialized and farmerized, the old advocates of free trade will recant and repent and change about.

The cry has been raised by Democratic opposition to a protective tariff that the consumer will be required to pay more for what he consumes. This fallacy has been exploded time and time again. Just as often as it is proved to be false, just as often the Democratic Party puts up this smoke screen of deception.

With the farm relief bill in operation, and the proper functioning of the farmers tariff measure the middleman, who preys alike upon the farmer and the consumer, should be entirely eliminated.

It stands to reason that the farmer, operating under this tariff bill, will receive more for his produce, and the consumer should pay less than heretofore.

Why, Mr. Speaker, the first tariff bill was under consideration and pending in Congress before Gen. George Washington was inaugurated President. Even in those days the protective-tariff question was a leading issue, for we find in the annals of Congress for April 11, 1789, that a Maryland Congressman presented a petition from the "tradesmen, manufacturers, and others in the town of Baltimore," asking Congress to impose "on all foreign articles which can be made in America such duties as will give a just and decided preference" to American manufacturers and workers.

An editorial in the Journal of Commerce for May 8 says:

Among other evidences of good and improving business is the record of failures during the current year. For the first four months the num-



ber of failures is reported by Bradstreet's to be less than for any corresponding period of the preceding three years. The showing for liabilities is still more striking, the total amount being the smallest for any similar four months' period since 1920.

The declining totals of liabilities involved in the failures of the past few years present an even better record of improvement when the great increase in the productive output of the country is taken into account, along with the changes in the industrial technique that have added to the difficulties of firms on the verge of dissolution.

The above statement of facts does not require elaboration. It is simply another added proof of the business and industrial stability of the country under tariff protection.

There is a loud protest from Democratic quarters that the farming industry has been liberally protected. If that be so, how can that party reconcile the fact that the Underwood Act signed by President Wilson placed on the free list such farm commodities as wheat, corn, rye, eggs, milk, cream, alfalfa seed, clover seed, millet seed, beef and veal (fresh), cattle, meats (prepared or preserved), lamb (fresh), mutton (fresh), sheep, swine, ham and bacon, lard, potatoes, and wool (scoured)?

Shifting and changing conditions since the enactment of the Fordney-McCumber Tariff Act of 1922 makes necessary the adjustment of tariff schedules.

The bill before us was drawn primarily with that object in view. Our farmers can not compete with foreign producers under present import duties on many of the commodities that enter our daily lives.

Lewis F. Carr in his book *America Challenged* states that—

There is a great disparity and incompatibility of earning power as between industry and agriculture. It is too great to permit agriculture to continue. For as the inequalities forced upon the agrarian population by the development of industrial and commercial civilization have been one of the greatest sources of strife and instability in the past, so will they continue to antagonize, disunite, and disrupt until some adjustment in the matter is made.

That is just what the farmers' tariff bill is designed to accomplish—put the farmer on the same basis of tariff protection that other industries now enjoy.

As a contribution to the history of the two political parties on the great economic question of tariff protection I shall beg the indulgence of the House to the extent of presenting extracts from the platform pledges of the Republican and Democratic Parties since the convention of 1860. They afford a striking contrast and difference of opinion on this great question.

From this record there is no gainsaying the fact that the Republican Party has always been found on the side of our struggling industries, development of our national resources, and safeguarding from annihilation by foreign competition the foundation and bulwark of our industrial achievement. No party could do more.

The consistency of the Republican Party in advocating and supporting the policy of tariff protection, contrasted to the consistency of the Democratic Party in bitterly opposing such policy, is nowhere more forcibly presented than in the platforms of the two parties. As far back as the Chicago convention of 1860, which nominated the immortal Lincoln, this plank in the Republican platform was adopted:

That, while providing revenue for the support of the General Government by duties upon imports, sound policy requires such an adjustment of these imposts as to encourage the development of the industrial interests of the whole country; and we commend that policy of national exchanges which secures to the workingmen liberal wages, to agriculture remunerative prices, to mechanics and manufacturers an adequate reward for their skill, labor, and enterprise, and to the Nation commercial prosperity and independence.

The Democratic convention of 1860, held at Baltimore, Md., and which nominated Stephen A. Douglas for the Presidency, was painfully silent on the subject of the tariff.

The only thing contained in the platform adopted at the Democratic convention, held in Chicago in 1864, and which nominated Gen. Geo. B. McClellan for the Presidency, are seven paragraphs of scurrilous censure of President Lincoln's administration. This puerile, odious platform is in striking contrast to the statesmanlike, constructive platform of the Republican Party adopted at the Baltimore convention which renominated the great emancipator.

The Democratic convention of 1868, held in New York City, and which nominated Horatio Seymour for the Presidency, and the Republican convention of the same year, held in Chicago, Ill., and which nominated Gen. U. S. Grant for the Presidency, did not, to any great extent, touch on the subject of the tariff.

The Democratic convention of 1872, held in Baltimore, Md., and which nominated Horace Greeley for the Presidency, adopted a platform with this reference to tariff:

\* \* \* Recognizing that there are in our midst honest but irreconcilable differences of opinion with regard to the respective systems of protection and free trade, we remit the discussion of the subject to the people in their congressional districts, and to the decision of the Congress thereon, wholly free from Executive interference or dictation.

The Republican convention of 1872, held in Philadelphia, Pa., and which renominated General Grant, adopted a platform containing this reference to the tariff:

\* \* \* That revenue should be raised by duties upon importations, the details of which should be so adjusted as to aid in securing remunerative wages to labor and promote the industries, prosperity, and growth of the whole country.

In the Democratic convention of 1876, held at St. Louis, Mo., and which nominated Samuel J. Tilden for the Presidency, this platform plank was incorporated and adopted:

\* \* \* We denounce the present tariff levied upon nearly 4,000 articles as a masterpiece of injustice, inequality, and false pretense. It yields a dwindling, not a yearly revenue. It has impoverished many industries to subsidize a few. It prohibits imports that might purchase the products of American labor. It has degraded American commerce from the first to an inferior rank on the high seas. It has cut down the sales of American manufacturers at home and abroad and depleted the returns of American agriculture, an industry followed by half our people. It costs the people five times more than it produces to the Treasury, obstructs the processes of production, and wastes the fruits of labor. It promotes fraud, fosters smuggling, enriches dishonest officials, and bankrupts honest merchants. We demand that all customhouse taxation shall be only for revenue.

What a dreadful picture of the "evils of tariff protection" was painted by this plank. The rest of the platform is made up of vituperation and denunciation of the Republican administration.

The Republican convention of 1876, held at Cincinnati, Ohio, and which nominated Rutherford B. Hayes for the Presidency, had this to say in its platform about tariff:

The revenue necessary for current expenditures must be largely derived from duties upon importations, which, so far as possible, should be adjusted to promote the interests of American labor and advance the prosperity of the whole country.

The platform of the Democratic Party adopted at the Cincinnati convention in 1880 and which nominated Winfield S. Hancock for the Presidency is mute on the subject of tariff more than to make this misleading statement that—

The Democratic Party is the friend of labor and the laboring man and pledges itself to protect him alike against the cormorant and the commune.

At the Republican convention of 1880, which nominated Gen. James A. Garfield for the Presidency, the platform adopted states that the party—

reaffirms its belief, avowed in 1876, that the duties levied for the purpose of revenue should so discriminate as to favor American labor \* \* \*

The tariff platform of the Democratic Party which nominated Grover Cleveland in 1884 at Chicago was a jumble of meaningless words and phrases so far as concerned protection to our industries. The plank adopted states that—

from the foundation of this Government taxes collected at the customhouse have been the chief source of Federal revenue. Such they must continue to be. Moreover, many industries have come to rely upon legislation for successful continuance, so that any change of law must be at every step regardful of the labor and capital thus involved. The process of reform must be subject in the execution to this plain dictate of justice. \* \* \*

But it winds up in this manner:

The necessary reduction in taxation can and must be effected without depriving American labor of the ability to compete successfully with foreign labor and without imposing lower rates of duty than will be ample to cover any increased cost of production which may exist in consequence of the higher rate of wages prevailing in this country.

The Chicago convention of 1884 nominated James G. Blaine for the Presidency and adopted a tariff plank containing this clear-cut, straight-from-the-shoulder declaration:

It is the first duty of a good government to protect the rights and promote the interests of its own people.

The largest diversity of industry is most productive of general prosperity and of the comfort and independence of the people.

We therefore demand that the imposition of duties on foreign imports shall be made not "for revenue only," but that in raising the requisite revenues for the Government such duties shall be so levied as to afford security to our diversified industries and protection to the



rights and wages of the laborer, to the end that active and intelligent labor, as well as capital, may have its just reward and the laboring man his full share in the national prosperity.

Against the so-called economic system of the Democratic Party, which would degrade our labor to the foreign standard, we enter our earnest protest.

The Democratic convention of 1888, held at St. Louis, Mo., and which nominated President Cleveland, declined to make a straightforward declaration of its stand on the tariff. The way the convention hurdled and sidestepped this momentous question in a confusion of incoherent phrases it must have felt that the subject was loaded with dynamite.

Note the boldness and clarity of purpose of the platform declaration of the Republican convention held in Chicago in 1888, and which nominated Gen. Benjamin Harrison for the Presidency:

\* \* \* We are uncompromisingly in favor of the American system of protection; we protest against its destruction as proposed by the President—Mr. Cleveland—and his party. They serve the interests of Europe; we will support the interests of America. We accept the issue and confidently appeal to the people for their judgment. The protective system must be maintained. Its abandonment has always been followed by general disaster to all interests, except those of the usurer and the sheriff. We denounce the Mills bill as destructive to the general business, the laboring and the farming interests of the country, and we heartily indorse the consistent, patriotic action of the Republican Representatives in Congress in opposing its passage.

A Republican Senate in the first Cleveland administration prevented the passage of the iniquitous free-trade measure known as the Mills bill.

With the renomination of Grover Cleveland in 1892 at Chicago, the convention's adopted tariff plank was one of little more than bitter denunciation of tariff protection under which the country then was enjoying an era of great prosperity. The opening paragraph of the tariff plank begins with a denunciatory bang:

We denounce Republican protection as a fraud—a robbery of the American people for the benefit of the few. We declare it to be a fundamental principle of the Democratic Party that the Federal Government has no constitutional power to impose and collect tariff duties, except for the purposes of revenue only. We denounce the McKinley tariff law enacted at the Fifty-first Congress as the culminating atrocity of class legislation.

The concluding sentence of this melodramatic plank reads:

We denounce a policy which fosters no industry so much as it does that of the sheriff.

Contrast the foregoing plank with that adopted at the Republican convention of 1892, held in Minneapolis, Minn., and which renominated President Harrison:

We reaffirm the American doctrine of protection. We call attention to its growth abroad. We maintain that the prosperous condition of our country is largely due to the wise revenue legislation of the last Republican Congress.

We believe that all articles which can not be produced in the United States, except luxuries, should be admitted free of duty, and that on all imports coming into competition with the products of American labor there should be levied duties equal to the difference between wages abroad and at home.

At the election which followed Grover Cleveland was elected. Both Houses of Congress were Democratic. The McKinley tariff bill was repealed, and in its place the Wilson bill was enacted. What was the result?

For four years there was the greatest industrial, agricultural, and financial depression ever experienced in this country. Banks, railroads, and big manufacturing concerns went into the hands of receivers. The United States Army was called out to quell labor strikes so that trains carrying the mails could move. Unemployment was general. Bread lines and public soup houses were established and maintained to feed the starving unemployed. Every line of industrial activity, including that of agriculture, was paralyzed. We were simply writhing in the throes of distress.

This deplorable condition was not alleviated until Maj. William McKinley, nominated at the St. Louis convention of 1896, was ushered into the White House. With a Republican Congress, remedial tariff legislation was speedily enacted. The reaction was spontaneous. The country rose from the slough of horrible depression to one of renewed prosperity. It was an experience which caused the American people to shudder with apprehension at the mere mention of a "free trade" tariff bill.

The Democratic convention which had nominated William J. Bryan at Chicago in 1896 sought to minimize the importance

of tariff protection by substituting "free coinage of silver" as its paramount issue. The Democratic Party seemed obsessed with a "free something" complex. With true Don Quixote tendencies it was still secretly fighting the "tariff protection windmill" of the Republican Party. The party endeavored to make us believe free coinage would produce a Utopian condition which would give us peace and plenty. At all times, however, the Democratic Damocles's "free-trade sword," suspended by a slender hair, hung above the sound, logical, and tried-out tariff protection enactment.

In the 1900 convention at Kansas City, which renominated Mr. Bryan, the Democratic Party played up "imperialism" as the paramount issue with which to bait the American people. But a 3-line plank took this jibe at the manufacturing industry:

Tariff laws should be amended by putting the products of trusts upon the free list to prevent monopoly under the plea of protection.

President McKinley was renominated at the Philadelphia convention in 1900. His reelection was evidence of the faith of the people in the principle and policy of tariff protection.

When the bullet of an assassin snuffed out the life of this illustrious President, Col. Theodore Roosevelt, who had been nominated for the second place on the ticket, succeeded to the Presidency.

President Roosevelt was nominated at the Chicago convention in 1904. His opponent, Judge Alton B. Parker, was nominated at the Democratic convention at St. Louis.

Again the protective tariff was an issue, and upon this issue Colonel Roosevelt was swept into the White House by one of the largest pluralities ever given a candidate for this high office.

President Roosevelt's administration was characterized by the enactment of many constructive measures necessary for the public good and welfare of the country. No man in or out of the White House ever made such a popular appeal to the masses or caught the public imagination as did Colonel Roosevelt. His uncompromising attitude toward tariff protection and his dynamic position on all questions affecting the people made his administration one of unusual prosperity.

The administration of President William H. Taft following that of President Roosevelt was popular and prosperous. Nominated in 1908 at the Chicago convention, President Taft was an Executive of the highest ability and attainments, and a great believer and supporter of the protective tariff. In fact, the tariff plank upon which he stood, among other constructive pledges, contained this strong indorsement of protection.

\* \* \* In all tariff legislation the true principle of protection is best maintained by the imposition of such duties as will equal the difference between cost of production at home and abroad, together with a reasonable profit to American industries. \* \* \*

At the Democratic convention held at Baltimore in 1912, Woodrow Wilson was nominated for the Presidency. The tariff plank was given a conspicuous place in the adopted platform. The major part of it, however, was a denunciation of the Republican protective tariff.

\* \* \* We declare it to be a fundamental principle of the Democratic Party that the Federal Government, under the Constitution, has no right or power to impose or collect tariff duties except for the purpose of revenue. The high Republican tariff is the principal cause of the unequal distribution of wealth. Under its operations the American farmer and laboring man are the chief sufferers.

\* \* \* We favor the immediate downward revision of the existing high and in many cases prohibitive tariff duties. \* \* \*

Again the Republican convention held at Chicago, which renominated President Taft, adopted a strong protective tariff plank:

\* \* \* The protective tariff is so woven into the fabric of our industrial and agricultural life that to substitute it for a tariff for revenue only would destroy many industries and throw millions of our people out of employment. The products of the farm and of the mine should receive the same measure of protection as other products of American labor.

The Underwood Act was the result of Democratic victory at the polls in 1912. The European war, drawing heavily on our industrial and agricultural resources, was alone responsible for preventing our economic disaster.

It was aptly expressed in the platform of the Republican convention held in Chicago in 1916 and which nominated Charles E. Hughes for President:

\* \* \* The Underwood Tariff Act is a complete failure in every respect. \* \* \* Under the normal conditions which prevailed prior to the war it was clearly demonstrated that this act deprived the American producer and the American wage earner of a protection which en-



abled them to meet their foreign competitors, and but for the adventitious conditions created by the war would long since have paralyzed all forms of American industry and deprived American labor of its just reward.

There is not the slightest doubt but that the election of Senator Warren G. Harding in 1920 and the repeal of the Underwood Act, which speedily followed, and the enactment of the Fordney-McCumber tariff law saved this country from an agricultural and industrial disaster that would have made the Cleveland calamity tame in comparison.

The Democratic platform adopted at the convention held at San Francisco in 1920, and which nominated Gov. James M. Cox for the Presidency, attempted in the campaign that followed to obscure the tariff question by substituting the "League of Nations" issue.

The overwhelming defeat administered to the Democratic Party is still fresh in the minds of the people.

No tariff legislation was considered during the administration of President Coolidge, but he repeatedly expressed his strong belief in the protective-tariff policy of the Republican Party, and increased by Executive order, under the flexible provisions of the Fordney-McCumber tariff law, the duty on many projects,

notably wheat, butter, and potatoes, thus demonstrating his determination that the farmers of the country should be given every advantage over the foreign producer.

Mr. Speaker, since my early manhood I have been an ardent supporter of the principles of the Republican Party, and during my service of 16 years as a Member of this body I have consistently upheld and supported the Republican principle of a protective tariff, which I firmly believe is so vitally essential to our national prosperity and the happiness and comfort of the people. The pending measure rings true to the traditions of our party, and I trust that it may be speedily enacted into law. It is a wisely measured forward step in the development of our resources and progress of our splendid civilization.

Mr. Speaker, every loyal American who believes in preserving our own market for ourselves must be convinced, in view of the following statement, that the foreign producer is able to enter our market under the rates of duty provided by the existing tariff law, and he is therefore supplying a demand for products which we should furnish. It is believed that the pending measure, when enacted, will insure to the producers in this country their own market, which they are now forced to share so liberally with the foreign producers.

Imports agricultural products, 1927

Article	Unit	Quantity imported	Present duty	Proposed duty	Competing countries
Cattle.....	Pounds.....	218,091,537	1½ cents.....	Less than 800 pounds, 2 cents; over 800 pounds, 2½ cents.	Canada, Mexico.
Beef.....	do.....	34,844,087	3 cents.....	6 cents.....	Canada, Australia, New Zealand.
Sheep.....	Head.....	28,598	\$2 per head.....	\$3 per head.....	Canada, Mexico.
Mutton.....	Pounds.....	523,281	2½ cents per pound.....	5 cents per pound.....	Argentina, Canada, New Zealand.
Lamb.....	do.....	2,132,714	4 cents per pound.....	7 cents per pound.....	Do.
Swine.....	do.....	35,883,850	¼ cent per pound.....	2 cents per pound.....	Canada, Argentina.
Pork.....	do.....	14,470,151	¼ cent per pound.....	2½ cents per pound.....	Do.
Meats.....	do.....	57,106,466	20 per cent ad valorem.....	6 cents per pound.....	Argentina, Uruguay, Paraguay, Canada.
Milk.....	Gallons.....	4,493,067	2½ cents per gallon.....	5 cents per gallon.....	Canada.
Cream.....	do.....	4,843,138	20 cents per gallon.....	40 cents per gallon.....	Do.
Butter.....	Pounds.....	8,459,741	12 cents per pound.....	14 cents per pound.....	Denmark, Canada, New Zealand.
Poultry, live.....	do.....	1,629,675	3 cents per pound.....	6 cents per pound.....	Canada.
Poultry, dead.....	do.....	3,567,242	6 cents per pound.....	10 cents per pound.....	Argentina, Austria.
Eggs.....	do.....	2,778,422	6 cents per dozen.....	10 cents per dozen.....	Canada.
Corn.....	Bushels.....	4,916,615	15 cents per bushel.....	25 cents per bushel.....	Argentina.
Alfalfa.....	Pounds.....	3,602,202	4 cents per pound.....	5 cents per pound.....	Canada.
Alsike clover seed.....	do.....	5,313,424	do.....	do.....	Do.
Crimson clover seed.....	do.....	1,245,993	1 cent per pound.....	2 cents per pound.....	France.
Red clover seed.....	do.....	7,144,931	4 cents per pound.....	6 cents per pound.....	Do.
White clover seed.....	do.....	947,223	3 cents per pound.....	5 cents per pound.....	Do.
Clover.....	do.....	5,843,592	2 cents per pound.....	3 cents per pound.....	Canada.
Beans, dried.....	do.....	124,562,063	1½ cents per pound.....	2½ cents per pound.....	China, Canada, Belgium, France, Netherlands.
Sugar beets.....	Tons.....	67,636	80 cents per ton.....	80 cents per ton.....	Canada, Japan, Netherlands.
Peas, dried.....	Pounds.....	19,607,789	1 cent per pound.....	1½ cents per pound.....	Spain and Egypt.
Onions.....	do.....	120,588,241	do.....	2 cents per pound.....	Canada, Cuba.
Potatoes.....	do.....	316,328,706	50 cents per 100 pounds.....	75 cents per 100 pounds.....	Mexico, Cuba.
Tomatoes.....	do.....	132,130,325	¼ cent per pound.....	3 cents per pound.....	Cuba, Mexico, etc.
Sugar.....	do.....	8,431,452,993	2.20 general per 100 pounds; 1.76 Cuba preferred.	3.00 general per 100 pounds; 2.40 Cuba preferred.	Canada, Argentina, etc.
Hides.....	do.....	368,959,355	Free list.....	10 per cent ad valorem.....	

## ADJOURNMENT

Mr. HAWLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 12 minutes p. m.) the House, in accordance with its previous order, adjourned to meet to-morrow, Thursday, May 23, 1929, at 1 o'clock p. m.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ELLIOTT: A bill (H. R. 3239) to amend an act entitled "An act to increase the pensions of certain maimed veterans who have lost limbs or have been totally disabled in the same, in line of duty, in the military or naval service of the United States; and to amend section 4788 of the Revised Statutes of the United States by increasing the rates therein for artificial limbs," approved February 11, 1927 (U. S. C. Supp. 1, title 38, sec. 168a); to the Committee on Invalid Pensions.

By Mrs. KAHN: A bill (H. R. 3240) to increase the salaries of the United States customs guards, and for other purposes; to the Committee on Ways and Means.

Also, a bill (H. R. 3241) granting a special pension to officers and enlisted men who received the medal granted to those who participated in the Battle of Manila Bay, May 1, 1898; to the Committee on Pensions.

Also, a bill (H. R. 3242) establishing a naval record for certain officers and enlisted men of the Naval Militia of California who performed active duty on the U. S. S. *Marion* or *Pinta* during the war with Spain; to the Committee on Naval Affairs.

Also, a bill (H. R. 3243) to authorize the appointment of Quartermaster Corps clerks as warrant officers, and for other purposes; to the Committee on Military Affairs.

By Mr. SWING: A bill (H. R. 3244) authorizing and directing the Director of the Census to collect and publish statistics concerning the need for old-age pensions; to the Committee on the Census.

By Mr. ENGLEBRIGHT: A bill (H. R. 3245) authorizing appropriations for the construction and maintenance of improvements necessary for protection of the national forests from fire, and for other purposes; to the Committee on Agriculture.

By Mr. SEIBERLING: A bill (H. R. 3246) to authorize the sale of the Government property acquired for a post-office site in Akron, Ohio; to the Committee on Public Buildings and Grounds.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOWMAN: A bill (H. R. 3247) granting a pension to Daniel Alt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 3248) granting a pension to Edith J. Helmick; to the Committee on Invalid Pensions.



By Mr. BRAND of Ohio: A bill (H. R. 3249) granting an increase of pension to Mary Currier; to the Committee on Invalid Pensions.

By Mr. EDWARDS: A bill (H. R. 3250) for the relief of Edward C. Compton; to the Committee on Banking and Currency.

Also, a bill (H. R. 3251) for the relief of Joseph F. Thompson; to the Committee on World War Veterans' Legislation.

Also, a bill (H. R. 3252) granting a pension to Sarah B. Arnett; to the Committee on Pensions.

By Mr. JENKINS: A bill (H. R. 3253) granting a pension to Manuel Evicks; to the Committee on Pensions.

By Mr. JOHNSON of Washington: A bill (H. R. 3254) for the relief of John W. Arntson to the Committee on Military Affairs.

Also, a bill (H. R. 3255) for the relief of Sylvester S. Thompson; to the Committee on Military Affairs.

Also, a bill (H. R. 3256) for the relief of David F. Richards, alias David Richards; to the Committee on Military Affairs.

By Mrs. KAHN: A bill (H. R. 3257) for the relief of Ellen B. Monahan; to the Committee on Claims.

Also, a bill (H. R. 3258) to correct the naval record of Peter Hansen; to the Committee on Naval Affairs.

Also, a bill (H. R. 3259) to correct the military record of John W. Fisher; to the Committee on Military Affairs.

Also, a bill (H. R. 3260) to correct the military record of Alfred G. V. Meldahl; to the Committee on Military Affairs.

Also, a bill (H. R. 3261) for the relief of William Eckman; to the Committee on Claims.

Also, a bill (H. R. 3262) for the relief of the legal representatives of Owen Thorne, deceased; to the Committee on Claims.

Also, a bill (H. R. 3263) for the relief of James Walsh; to the Committee on Naval Affairs.

Also, a bill (H. R. 3264) to correct the military record of John G. Wiest; to the Committee on Military Affairs.

Also, a bill (H. R. 3265) to correct the military record of Fred Peterson; to the Committee on Military Affairs.

Also, a bill (H. R. 3266) for the relief of Patrick Joseph Pierson; to the Committee on Naval Affairs.

Also, a bill (H. R. 3267) for the relief of Theodore Reynders; to the Committee on Naval Affairs.

Also, a bill (H. R. 3268) to provide for the advancement on the retired list of the Army of Maj. Andrew Summers Rowan; to the Committee on Military Affairs.

Also, a bill (H. R. 3269) to renew and extend certain letters patent to Rosa Schoenholz; to the Committee on Patents.

Also, a bill (H. R. 3270) for the relief of Charles Trudell; to the Committee on Claims.

Also, a bill (H. R. 3271) providing for the advancement of Michael Holub on the retired list of the Army; to the Committee on Military Affairs.

Also, a bill (H. R. 3272) granting a pension to David Jacobi; to the Committee on Pensions.

Also, a bill (H. R. 3273) to provide for the advancement on the retired list of the Navy of Frank G. Kutz; to the Committee on Naval Affairs.

Also, a bill (H. R. 3274) for the relief of John C. Lyon; to the Committee on Naval Affairs.

Also, a bill (H. R. 3275) to correct the military record of Thomas Mahoney; to the Committee on Naval Affairs.

Also, a bill (H. R. 3276) granting a pension to Joseph P. McGreal; to the Committee on Pensions.

Also, a bill (H. R. 3277) to allow the distinguished-service cross for service in the World War to be awarded to First Lieut. Royal R. Baronides; to the Committee on Military Affairs.

Also, a bill (H. R. 3278) granting an increase of pension to Bernard J. Boldemann; to the Committee on Pensions.

Also, a bill (H. R. 3279) for the relief of Augustus W. R. Berr; to the Committee on Claims.

Also, a bill (H. R. 3280) for the relief of John Bulotti; to the Committee on Claims.

Also, a bill (H. R. 3281) granting an increase of pension to Richard Burns; to the Committee on Pensions.

Also, a bill (H. R. 3282) to provide for appointing Robert J. Burton, a former field clerk, Quartermaster Corps, a warrant officer, United States Army; to the Committee on Military Affairs.

Also, a bill (H. R. 3283) for the relief of Patrick Collum; to the Committee on Naval Affairs.

Also, a bill (H. R. 3284) to correct the military record of James William Cole; to the Committee on Military Affairs.

Also, a bill (H. R. 3285) granting a pension to Bertha Becker; to the Committee on Pensions.

By Mr. KOPP: A bill (H. R. 3286) granting an increase of pension to Ella R. Crail; to the Committee on Invalid Pensions.

By Mr. McSWAIN: A bill (H. R. 3287) granting a pension to Wake Shaver; to the Committee on Pensions.

By Mr. MURPHY: A bill (H. R. 3288) for the relief of John Ralston; to the Committee on Military Affairs.

Also, a bill (H. R. 3289) for the relief of Charles W. Bendure; to the Committee on Military Affairs.

Also, a bill (H. R. 3290) for the relief of Henry E. Thomas, alias Christopher Timmerman; to the Committee on Military Affairs.

By Mr. SMITH of West Virginia: A bill (H. R. 3291) granting a pension to Alice B. Cook; to the Committee on Pensions.

By Mr. VINCENT of Michigan: A bill (H. R. 3292) granting a pension to Margaret S. Cof; to the Committee on Invalid Pensions.

By Mr. WOLFENDEN: A bill (H. R. 3293) granting a pension to Emma Sawyer; to the Committee on Pensions.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

492. By Mr. BAIRD: Petition of members of the Philathea class of the First Baptist Church, Sandusky, Ohio, requesting that conditions under which many of the Indian wards of the Nation are compelled to live be remedied by Congress; to the Committee on Indian Affairs.

493. By Mr. CARTER of California: Petition of the Bay Cities Veterans Old Age Welfare Workers, urging the passage of legislation increasing pensions of veterans of the Civil War; to the Committee on Invalid Pensions.

494. By Mr. ENGLEBRIGHT: Resolution of the Rice W. Means Camp, No. 102, Department of California, United Spanish War Veterans, indorsing House bill 14676; to the Committee on Pensions.

495. By Mr. ROBINSON of Iowa: Resolution of the American Swiss Club, of Dubuque, Iowa, signed by the president, Fred J. Heer, and secretary, J. G. Moser, against the proposed quota restriction of immigrants from Switzerland; to the Committee on Immigration and Naturalization.

496. By Mr. SANDERS of Texas: Petition circulated and presented by patriotic societies and signed by numerous citizens of the United States, praying Congress not to emasculate the immigration act of 1924 by repealing or suspending national-origins provisions of that act, and asking that Mexico and Latin American countries be placed under the quota provisions of that act, and asking for additional deportation legislation; to the Committee on Immigration and Naturalization.

#### SENATE

THURSDAY, May 23, 1929

(Legislative day of Thursday, May 16, 1929)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. BROOKHART obtained the floor.

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. Does the Senator from Iowa yield for that purpose?

Mr. BROOKHART. I yield.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Allen	Fletcher	La Follette	Smith
Ashurst	Frazier	McKellar	Smoot
Barkley	George	McMaster	Steck
Bingham	Gillett	McNary	Steiwer
Black	Glenn	Metcalf	Stephens
Blaine	Goff	Moses	Swanson
Blease	Goldsborough	Norbeck	Thomas, Idaho
Borah	Greene	Norris	Thomas, Okla.
Bratton	Hale	Nye	Townsend
Brookhart	Harris	Oddie	Trammell
Broussard	Harrison	Overman	Tydings
Burton	Hastings	Patterson	Tyson
Capper	Hatfield	Phipps	Vandenberg
Caraway	Hawes	Pine	Wagner
Connally	Hayden	Pittman	Walcott
Copeland	Hebert	Ransdell	Walsh, Mass.
Couzens	Heflin	Reed	Walsh, Mont.
Cutting	Howell	Robinson, Ind.	Warren
Dale	Johnson	Sackett	Waterman
Deneen	Jones	Schall	Watson
Dill	Kean	Sheppard	Wheeler
Edge	Kendrick	Shortridge	
Fess	King	Simmons	

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present. The Senator from Iowa [Mr. BROOKHART] has the floor.